

**INVITATION TO ACQUIRE SHARES IN  
THE MARKETING GROUP PLC AHEAD OF  
THE LISTING ON NASDAQ FIRST NORTH**



**MANGOLD**

# IMPORTANT INFORMATION TO INVESTORS

## Background

This invitation to apply for shares has been prepared by the Board of Directors of The Marketing Group plc in relation to the application for listing on Nasdaq First North. The Marketing Group plc ("The Marketing Group" or the "Company") is incorporated and registered in England and Wales with company number 09604581 whose registered office is at Henry Wood House, 2 Riding House Street, Oxford Circus, London, W1W 7FA, United Kingdom.

The Board of Directors hereby declare that, to the best of their knowledge, the information provided in this Investor Memorandum is accurate and that, to the best of their knowledge, it is not subject to any omissions that may serve to distort the picture this document is to provide. The figures included in this Investor Memorandum have, in certain cases, been rounded off and, consequently, the tables contained in this document do not necessarily add up. All financial amounts are in Euro (EUR), unless indicated otherwise.

## Structure of the Offering

The Offering consists of a public offering to institutional investors in Sweden and abroad and to the general public in Sweden. The Offering is neither directed to the general public in any country other than Sweden nor directed to any person whose participation would require additional information, prospectuses, registrations or measures other than those prescribed by Swedish law. In particular, the Offering is not being made to any individuals residing in the United States of America, Australia, Canada, New Zealand, Hong Kong, Japan, Singapore, Switzerland or South Africa. The shares of the Offering have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "Securities Act"), or under any U.S. state securities law. No measures have been or will be taken in any jurisdiction, other than Sweden, that would allow an offer of the shares to the public, or allow holding and distribution of this Investor Memorandum or any other documents pertaining to The Marketing Group or the shares in such jurisdiction. Applications to acquire shares that violate such rules may be deemed invalid. Persons into whose possession this Investor Memorandum reaches, are required by The Marketing Group to inform themselves of and to observe, such restrictions. The Marketing Group does not accept legal responsibility for any violation by any person, whether or not a prospective investor, of any such restrictions.

## **This document is not a prospectus and has not been approved or reviewed by any governmental authority**

The Offering will be made pursuant to applicable exemptions in the Financial Instruments Trading Act (Sw. lag (1991:980) om handel med finansiella instrument) and the Directive 2003/71/EC (such Directive, together with any amendments thereto and any applicable implementing measures in the relevant home member state under such Directive, the "Prospectus Directive"). This Investor Memorandum does not constitute a prospectus for the purposes of the Prospectus Directive. No prospectus has been or will be prepared by The Marketing Group or any representative in relation to the Offering pursuant to the Prospectus Directive and approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen). The Offering will be made by way of invitation to apply for shares by means of this Investor Memorandum. The Offering in which the aggregate sum the investors will pay will not exceed the equivalent of MEUR 2.5.

## Cautionary note regarding forward-looking statements

This invitation to apply for shares contains forward-looking statements. Such forward-looking statements reflect the current views and opinions of the Board of Directors or are assumptions based on information available to the Company. Such forward-looking statements are subject to certain known and unknown risks, uncertainties associated with the Company's growth, management, relations with clients and suppliers and other factors referenced in this Investor Memorandum. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond the Company's control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this Investor Memorandum by such forward-looking statements. The information, opinions and forward-looking statements contained in this Investor Memorandum speak only as at its date, and are subject to change without notice. The Board of Directors confirms that statements, estimates and projections set out herein with respect to the anticipated future results, performance or achievements of The Marketing Group reflect various assumptions, which may or may not prove to be correct. There can be no assurance that such views are accurate, or that such estimates and projections will be realised. No representations, warranties or other assurances can therefore be made as to the accuracy of such statements, estimates or projections.

The Offering is to be governed by and construed in accordance with Swedish law and the Investor Memorandum is governed by the laws of England and Wales where the Company is incorporated. Any disputes concerning the Investor Memorandum's contents shall be settled at the exclusive jurisdiction of the courts of England.

## Financial adviser

Mangold Fondkommission AB, registered in Sweden with company number 556585-1267, is the financial adviser to the Company and the issuing institution in connection with the impending offering, has assisted the Company in establishing the Investor Memorandum. Since all the information in the Investor Memorandum derive from the Company, Mangold Fondkommission AB cannot accept any liability in relation to the shareholders of the Company or for any other direct or indirect consequences of investment decisions or other decisions wholly or partly based on the information contained in this Investor Memorandum.

## Important information about Nasdaq First North

First North is a multilateral trading facility, an alternative marketplace operated by an exchange within the Nasdaq group. Companies on First North are not subject to the same rules as companies on the regulated main market. Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. Issuers on First North are subject to the rules of First North but not the requirements for admission on trading on a regulated market. The risk in investing in a company on First North may therefore be higher than investing in a company on a regulated market. All companies with shares traded on First North have a Certified Adviser who monitors that the rules are followed. The exchange approves the application for admission to trading.

## CERTAIN DEFINITIONS

### **360**

Means full service offering.

### **Black Marketing**

Means Black Marketing Pte Ltd, company number 201400187K and domiciled in the Republic of Singapore, a wholly owned subsidiary of The Marketing Group.

### **CA 2006 or Companies Act**

Means the Companies Act 2006 (c.46) (defined in section two of the act), an act of the Parliament of the United Kingdom which forms the primary source of United Kingdom company law.

### **Creative Insurgence**

Means Creative Insurgence Pte Ltd, company number 200816937H and domiciled in the Republic of Singapore, a wholly owned subsidiary of The Marketing Group.

### **Cornerstone Investors**

Means clients of Mangold that aggregated has committed to subscribe for 500,000 shares in the Offering.

### **EUR or €**

Means Euro, the official currency of the euro area.

### **Euroclear Sweden**

Means Euroclear Sweden AB, company number 556112-8074.

### **Euroclear United Kingdom & Ireland**

Means Euroclear United Kingdom & Ireland Limited, formerly CREST Co Limited, company number 02878738.

### **First North, Nasdaq First North or Nasdaq First North Stockholm**

Means Nasdaq First North Stockholm, a Swedish MTF (multi trading facility) operated by Nasdaq Stockholm AB.

### **Investor Memorandum**

Means this investor memorandum.

### **Mangold**

Means Mangold Fondkommission AB, company number 556585-1267, who acts as financial adviser in connection with the Offering and will act as the Certified Adviser of the Company on Nasdaq First North.

### **Nice & Polite**

Means Nice and Polite Ltd, company number 07761295 and domiciled in England and Wales, a wholly owned subsidiary of The Marketing Group.

### **One9Ninety**

Means One9Ninety Pte Ltd, company number 200822690W and domiciled in the Republic of Singapore, a wholly owned subsidiary of The Marketing Group.

### **SEK**

Means Swedish Krona.

### **Selling Shareholder or Unity Group of Companies**

Means Unity Group of Companies Pte Ltd, company number 201542039D and domiciled in the Republic of Singapore, as seller of shares in The Marketing Group in the Offering.

### **SGD**

Means Singapore dollars.

### **The Listing**

Means the impending listing on Nasdaq First North.

### **The Marketing Group, the Company or the Group**

Means The Marketing Group plc, company number 09604581 and domiciled in England and Wales, or the group in which The Marketing Group plc is the parent company or a subsidiary of the group, as the context may require.

### **The Offering**

Means the offer to apply for shares in The Marketing Group according to the information in this Investor Memorandum.

### **USD or US\$**

Means US dollars.

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## SUMMARY OF THE OFFERING

Price per share in the Offering	EUR 1.0
Minimum purchase	700 shares
Size of the Offering	MEUR 1.25
Application period	19 May – 1 June 2016
Approximate date for when the outcome of the Offering is made public	2 June 2016
Payment	According to the instructions on the contract note
Preliminary first day of trading on Nasdaq First North Stockholm	8 June 2016
Ticker	TMG
Trading venue	Nasdaq First North Stockholm

## INDICATIVE TIME SCHEDULE

Application period commences	19 May 2016
Application period ends	1 June 2016
Share allocation	2 June 2016
Preliminary first day of trading	8 June 2016

## FINANCIAL CALENDAR

<b>Annual General Meeting</b>	26 May 2016
<b>Interim report for the period January – June 2016</b>	16 August 2016
<b>Interim report for the period January – September 2016</b>	17 November 2016
<b>Year-end report for the period January – December 2016</b>	15 February 2017

# RISK FACTORS

*An investment in The Marketing Group's shares involves various risks. A number of factors affect, or could affect, The Marketing Group's business, both directly and indirectly. Described below, in no particular order and without claim to be exhaustive, are the risk factors and significant circumstances considered to be material to The Marketing Group's business and future development. The risks described below are not the only risks that The Marketing Group and its shareholders may be exposed to. The Company is exposed to risks that lies both within the Company's control, and to risks that The Marketing Group itself cannot impact. Moreover, there are certain risks associated with the Offering. Additional risks that are not currently known to The Marketing Group, or that The Marketing Group currently believes are immaterial, may also materially and adversely affect The Marketing Group's business, financial condition or result of operations. Such risks may cause the price of The Marketing Group's shares to fall significantly, and investors could potentially lose all or part of their investment.*

## **RISKS RELATED TO THE INDUSTRY AND THE MARKETING GROUP**

### **The macroeconomic climate and fluctuations in the macroeconomic climate may affect the Company**

The marketing business, and thus also the Company, is affected by macroeconomic factors. Changes in general economic conditions, such as the level of inflation and the rate of economic growth, affect the clients' marketing budgets. Macroeconomic and other factors beyond the Company's control include, but are not limited to, changes in gross domestic product, employment levels, gross disposable income, inflation, interest rates and population growth. An economic downturn could have a material adverse effect on the Company's business, financial condition and results of operations.

### **Competition**

The Company is operating on a market that is characterised by substantial competition. The market is dominated by large, global groups but also contain several smaller companies that are niched in different categories. New companies can also establish themselves on the market in the future. Some of the Group's competitors have more financial resources than the Group which mean that they more easily and quickly can adapt to changes in the market as well as spend more resources on investments. Increased competition within the market where the Group operates can have a material adverse effect on the Company's business, financial condition and results of operations.

### **The Company may be unable to retain, and recruit, key personnel in the future**

The Company's future success is to some extent dependent on its members of management and other key personnel who provide expertise, experience and commitment. The Company has entered into employment agreements or consultancy agreements with its key personnel and the Company believes these agreements are market-based. There is, however, a risk that the Company will not be able to retain or recruit qualified personnel in the future. If the Company is unable to retain members of management or other key personnel, or recruit new members of management or other key personnel to replace people who leave the Company, this may have a material adverse effect on the Company's business, financial condition and results of operations.

### **Limited operating history, unpredictability of future revenues, potential fluctuations and seasonality**

The Company was incorporated on 22 May 2015 as a holding company and does business through its subsidiaries which have substantial operating history. As a result of the limited operating history of The Marketing Group it is difficult to accurately forecast future revenue and profits.

As the Company is operating within the marketing business, the operations of the Group companies is characterised by seasonality. The third quarter is traditionally the weakest regarding revenue, profitability and liquidity. This is due to that clients spend less on marketing during the summer months. The operations of the Group also fluctuate around larger events where the Group can receive large contracts for work of specific projects.

### **The Company is exposed to currency exchange rate fluctuations**

The Group has operations in a number of countries with different currencies and is therefore exposed to the risk that currency exchange rate fluctuations could have a negative impact on The Marketing Group's profit and loss statement, balance sheet and/or cash flows. The Company's accounting currency is EUR. The most important currencies (other than EUR) are SGD, GBP and USD.

Currency exposure occurs whenever one of the Company's subsidiaries is party to a transaction in which it uses a different currency than its functional currency. In addition, currency translation exposure occurs when results of operations and financial positions in foreign subsidiaries are translated from the relevant functional currency into EUR at the applicable exchange rates for inclusion in the Company's consolidated financial statements (which are stated in EUR). Any significant fluctuations may materially and adversely affect the Company's business, financial condition and results of operations.

### **Strong governance**

The CA 2006 governs all companies registered in the United Kingdom and is the legal and regulatory framework which applies for private and public companies. CA 2006 includes a range of general and specific directors' duties. The Insolvency Act 1986 governs company insolvency and winding up procedure.

The Company complies with CA 2006 and its corporate governance rules. Following the Listing on Nasdaq First North the Company will not be required to comply with the corporate governance rules of the Swedish Companies Act nor the Swedish Corporate Governance rules. This is due to the facts that Nasdaq First North is not considered to be a regulated market and that the Company is registered in England. However, the First North Rulebook requires full transparency in terms of Articles of Association and incorporation documents and confirmation that those are complying with similar rules for a multilateral trading facility platform in the United Kingdom.

### **Funding risks**

It cannot be excluded that the Company in the future might need to seek external funding for future acquisitions or for the on-going operations and there is a risk that the funding cannot be raised or raised at unfavourable terms for the Company. If the Company cannot raise needed funding at favourable terms or at all in the future, this

can have a material adverse effect on the Company's business, financial condition and result of operations.

### **The Company is dependent on available liquidity in order to pay its operative costs and investments**

The Company is dependent on available liquidity in order to fulfil its payment obligations with respect to paying operating costs and making investments. If the Company does not have sufficient liquidity to fulfil its obligations, it could have material adverse effect on the Company's business, financial condition and results of operations.

### **Credit risks**

Credit risk is the risk that customers of the Group cannot or refuse to pay in accordance with the invoiced amount or time. There is a risk that the Group's counterparties cannot fulfil its payment obligations which could have a material adverse effect on the Company's financial condition and results of operations.

### **Interest rate risks**

The interest rate risk is the risk that fluctuations in interest rates affect the Group's interest expenses. It cannot be excluded that in the future that the Company or its subsidiaries raise interest-bearing debt and that interest rate fluctuations can affect the Group's interest expenses. If this would occur and interest expenses increase this could have a material adverse effect on the Company's financial condition and results of operations.

### **The Company is exposed to the risk for litigation, investigations and other proceedings**

Disputes, claims, investigations and proceedings might lead to the Company having to pay damages or cease certain practices. Group companies might become involved in disputes within the framework of their normal business activities and risk being subject to claims in suits concerning acquisitions or sales or portfolio companies or other agreements as well as work force or trade union issues. In additions, Group companies, or Group companies' officers, directors, employees or affiliates, might become subject to criminal investigations and proceedings. Such disputes, claims, investigations and proceedings can be time consuming, disrupt normal operations, involve large claim amounts and result in considerable costs. Moreover, it can often be difficult to predict the outcome of complex disputes, claims, investigations and proceedings. As a result, disputes, claims, investigations and proceedings could have a material adverse effect on the Company's business, financial condition and results of operations.

### **The Group may make acquisitions that prove unsuccessful or strain or divert the Group's resources**

During the last year, the Group has acquired a number of businesses. The Group intends to grow its business by continuing to implement and develop its core strategies and may consider making further acquisitions to support future growth and profitability. Successful growth through acquisitions is dependent on the Group's ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favourable terms, obtain required licenses and authorisations and ultimately complete such acquisitions and integrate them into the Group. If the Group makes acquisitions, it may not be able to generate expected margins or cash flows or realise the anticipated benefits of such acquisitions, including growth or expected synergies. The Group's assessment of and assumptions regarding acquisition targets may prove to be incorrect, and actual developments may differ significantly from expectations. The Group may not be able to integrate acquisitions successfully and such integration may require more investment than anticipated, and the Group could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, suppliers, employees, government authorities or other parties. The process of integrating acquisitions may also be disruptive to the Group's operations, as a result of, among other things, unforeseen legal, regulatory, contractual and other issues, difficulties in realising operating synergies or a failure to maintain the quality of services that have historically been provided which could cause the Group's results of operations to decline. Moreover, any acquisition may divert management's attention from the day to day business and may result in the incurrence of additional debt. Should any of the above occur, it could have a material adverse effect on the Group's business, financial condition and results of operations.

### **If the Group fails to properly manage growth, the business could suffer**

The Group has been growing rapidly and must continue to implement a sustainable growth strategy in order to realise increased results of operations. To achieve the Group's revenue and growth targets, the Group must successfully manage business opportunities, revenue streams, product and service quality and operations, and increase capacity and internet traffic as required by existing and prospective customers. As the Group grows, the Group may explore new and diversified revenue generating strategies, and the increasing business complexity of operations may place additional requirements on the Group's systems, controls, procedures and management,

which may strain the Group's ability to successfully manage future growth. If so, this could have a material adverse effect on the Group's business, financial condition and results of operations. Future growth will also impose significant added responsibilities on management, including the need to identify, recruit, train and integrate additional employees with relevant expertise. Rapid and significant growth may, therefore, place strain on the Group's administrative and operational infrastructure. In order to manage operations and growth, the Group will need to continue to improve operational and management controls, reporting and information, and financial internal control. The Group may fail to successfully manage such developments and growth in the future. If the Group is unable to effectively manage its growth, or is unsuccessful in adapting to changes and increased requirements resulting from expansion, this could have a material adverse effect on the Group's business, financial condition and results of operations.

### **The Group is responsible for material that is published on its websites**

The Group publishes both its own content and content provided by third parties on its websites. The Group may be held liable to a third party for published material if the third party's copyright, brand or other intellectual property right is infringed or infringing the copyright, brand or other intellectual property right of other parties or if the content is belittling, misleading, criminal or in any other way in contravention of prevailing laws and regulations. Claims or counter-claims could be time consuming, result in expensive proceedings and divert Company management's focus away from the business. The Group's reputation and relations with customers and users may also be damaged by this. If any of these events would occur, this could have a material adverse effect on the Group's business, financial condition and results of operations.

### **The Group is subject to risks related to intellectual property rights and legal proceedings**

The principal intellectual property rights of the Group are its domain names, rights to acquire domain names and its trademarks. The Group has historically acquired a number of domain names which it utilises as a means of providing its marketing services. If the Group is unable to acquire or use a suitable domain name in the countries in which it operates, or into which it may seek to expand its operations, its ability to trade or compete effectively may be impaired which could have a material adverse effect on the Group's business, financial condition and results of operations.



There is a risk that the Group could be prevented from freely using its domain names in all jurisdictions in which it operates. It is possible that the Group's domain names could infringe a prior third party trademark registration in certain jurisdictions, rights related to past practices or someone may have common law or other related rights which may prevent the Group from using its domain names. The global nature of the internet means competing or conflicting intellectual property rights can exist anywhere and are very difficult to monitor. The Group intends to continue to acquire domain names as suitable opportunities arise. The acquisition and maintenance of domain names is generally regulated by applicable laws, as they are applied by the courts, government agencies and their designees and internet domain name regulatory bodies, and is subject to change. Internet domain name regulatory bodies may establish additional top level domains, appoint additional domain name registrars or modify the requirements for holding domain names, which could result in that the Group is prevented to use their domain names as it desires, which could adversely affect the Group's business, financial condition and results of operations. Furthermore, the Group may in the future be involved in proceedings in the courts or with authorities within the framework of the Group's activities. The Group may for example be subject to claims relating to intellectual property rights or misleading and improper marketing practice. Such proceedings could be time consuming, involve large sums of money and cause the Group considerable costs, regardless of outcome, which could have a material adverse effect on the Group's business, financial condition and results of operations.

#### **Impairment of goodwill and other intangible assets**

The Group is required to annually test its goodwill. Testing must also occur when events or changes in circumstances indicate that the reported value may not be recoverable. Fixed assets in the Group's balance sheet consist mainly of intangible fixed assets. The Group may consider making additional acquisitions which could lead to increased goodwill. There is a risk that impairments of the Group's goodwill, which could be required for many reasons, will have a material adverse effect on the Group's business, financial condition and results of operations.

## **RISKS RELATED TO THE OFFERING AND THE SHARES**

### **An active, liquid and orderly trading market for The Marketing Group's shares may not develop, the price of its shares may be volatile, and potential investors could lose a portion or all of their investment**

Prior to the Offering, there is no public market for The Marketing Group's shares. There is a risk that an active and liquid market will not develop or, if developed, will not be sustained after completion of the Offering. Consequently, the market price of the shares could fall below the purchase price of the Offering. In these circumstances, investors who have participated in the Offering by purchasing shares may suffer a direct, unrealised loss pursuant to their investment.

The Company has applied for the listing of the shares on Nasdaq First North. There can be no assurance as to the liquidity of the Company's shares.

As of the date of this Investor Memorandum, there can be no assurance that the Company's shares will be admitted to trading on Nasdaq First North as scheduled, or at all. If the listing of shares fails to materialise, there may not be an active market for the shares.

### **The Company's concentrated ownership could affect the market price and liquidity of the shares; the Company's majority shareholders can significantly influence the governance of the Company, and the interests of the Company's majority shareholders may differ from the interests of the Company's minority shareholders**

As of the date of this Investor Memorandum, the Company's ten largest shareholders own 74.22 per cent of all the shares and votes issued and outstanding in the Company on a non-diluted basis. As of the date of this Investor Memorandum, the shareholding of the Company's largest shareholder, Chris Reed, amounts to 18.6 per cent of the shares.

The Company's main shareholders may have influence on the outcome of matters dealt with at general meetings. Such matters include election of board members, share issues and deciding on the use of distributable funds and payment of dividends. The major shareholders' interests may sometimes differ from the other shareholders' interests. This may have a material adverse effect on the position of the Company's other shareholders. Further, the concentration of ownership could delay or deter a change of control of the Company, deprive the Company's shareholders the opportunity to receive a premium for their shares as part of a sale of the Company and adversely affect the market price and liquidity of the shares.

**The amount of possible future dividends to be distributed to shareholders is not certain**

The amount of any future dividends that The Marketing Group will pay, if any, will depend upon a number of factors, such as future earnings, financial condition, cash flow, net working capital requirements, capital expenditures and other factors. There is a risk that The Marketing Group's shareholders may not resolve to pay dividends in the future or that the Company may not have sufficient distributable funds available.

**Future issues or sales of a substantial number of shares or rights entitling to shares could have a negative effect on the market price of the shares and cause dilution**

Future issues or sales of a substantial number of shares or rights entitling to shares, or the perception that such issues or sales may occur in the future, can have a material adverse effect on the market price of the shares as well as on the Company's ability to acquire equity financing. Additionally, any future rights issues or targeted issues of shares or rights entitling to shares will dilute a shareholder's proportion of the shares and votes to the extent that the shareholder decides not to, or is not entitled to, subscribe to those shares or rights entitling to shares. It is also possible that the Company will use its shares as a means of payment in future acquisitions, which could have a material adverse effect on the market price of the Company's share.

**Investors with a reference currency other than the EUR will become subject to certain foreign exchange risks when investing in the shares**

The Company's shares are denominated in EUR and any dividends on the shares will primarily be paid in EUR. Investors whose reference currency is a currency other than EUR may be adversely affected by any reduction in the value of EUR relative to the respective investor's reference currency. Any depreciation of EUR in relation to such foreign currency will reduce the value of the investment in the shares or any dividends in foreign currency terms, and any appreciation of EUR will increase the value in foreign currency terms of any such investment or dividends. In addition, such investors could incur additional transaction costs in converting EUR into another currency.

**The undertakings of the Cornerstone Investors have not been secured**

The Cornerstone Investors have agreed to together acquire shares from the Selling Shareholder, corresponding to MEUR 0.5, which, based on full subscription in the selling of shares corresponds to 500,000 shares and 40 per cent of the shares sold by the Selling Shareholder, and approximately 3 per cent of the total number of shares and votes in The Marketing Group. The Cornerstone Investors' undertakings are however not secured through a bank guarantee, blocked funds or pledge of collateral or similar arrangement. Hence, there is a risk that the Cornerstone Investors will not be able to fulfil their undertakings.

# BACKGROUND AND RATIONALE FOR THE OFFERING

The founders of The Marketing Group have been involved in marketing services for a number of years at senior levels, and have specialised in niched and complementary areas. The Marketing Group have successfully identified a need among large global clients for a truly innovative leading edge creative marketing agency to compete with the major global agencies. At the same time, the structure with several marketing companies gathered under one roof allows the Company to maintain the creativity and specialisation in each particular area as the subsidiaries operate as stand-alone subsidiaries.

As a 360 marketing organisation, The Marketing Group has offices in two continents (United Kingdom and Singapore) and offers a wide variety of digital marketing services, ranging from specialist LinkedIn positioning for personal and business brands, to high volume lead generation and nurturing, branding, brand activation, video and mobile marketing.

The environment as a publicly listed company is beneficial for The Marketing Group as it opens up new possibilities to develop the Company's client base. Publicly listed companies attract important publicity and large customers prefer to work with listed companies as it is a signal of reliability. A listing is also an important channel to receive necessary support and capital to finance growth and acquisitions ahead.

The Company has industry leading expertise, an increasingly broad global presence and is growing rapidly. However, in such a fragmented marketplace, The Marketing Group sees a public vehicle as the fastest and most efficient way to consolidate skills and services. By utilising a public vehicle, cash and stock can be used to attract the best talent, new customers and recognised brands that are both complementary and opportunistic in acquisition nature.

## **A stand-alone purpose**

The Company comprises a series of independent marketing teams, each with specific expertise and innovative services. The consolidated Group supports the subsidiaries with management, coordination of activities and a common operating platform. The compositions of the teams will over time evolve to include additional skills and participants together with additional services suitable to the companies' operations.

The Company's primary intention is to support the individual brands in their development independently and collaboratively, as the management believes this will offer a more coherent, value driven approach for all participants. The Board of Directors now intends to list The Marketing Group's shares on Nasdaq First North Stockholm. In connection to the listing, the Selling Shareholder will sell 1,250,000 existing shares in order for The Marketing Group to meet the stock exchange's distribution requirements and create a good liquidity in the share.

*We declare that, to the best of our knowledge, the information provided in the Investor Memorandum is accurate and that, to the best of our knowledge, the Investor Memorandum is not subject to any omissions that may serve to distort the picture of the Investor Memorandum is to provide, including all relevant information in the minutes of board meetings, auditor's' records and other internal documents included in the Investor Memorandum.*

London, 18 May 2016  
**The Marketing Group plc**  
The Board of Directors

**The Selling Shareholder**

# INVITATION TO ACQUIRE SHARES IN THE MARKETING GROUP AHEAD OF THE COMPANY'S LISTING ON NASDAQ FIRST NORTH

The Marketing Group's Board of Directors have decided to apply for listing of the Company's shares on Nasdaq First North. Ahead of the listing, the Selling Shareholder has decided to carry out a distribution of shares by selling 1,250,000 shares in the Company to institutional investors in Sweden and abroad and to the general public in Sweden. The other shareholders do not intend to sell shares. The shares will be sold at a price of EUR 1.0 per share, which implies that the size of the Offering amounts to MEUR 1.25. The Cornerstone Investors have undertaken to together acquire shares in the Offering corresponding to MEUR 0.5. Based on full subscription in the Offering, this corresponds to 500,000 shares and 40 per cent of the number of shares included in the Offering, and approximately 3 per cent of the total number of shares and votes in The Marketing Group.

## Price per share

The price per share is EUR 1.0. Brokerage commission will not be charged.

## Application period

The application period for the shares will commence on 19 May 2016, and is expected to end on 1 June 2016 at 23:59 Swedish time.

The Company may, at its sole discretion, terminate or extend the application period. Changes to the application period may be made one or several times. Any changes to the application period will be announced by way of a press release before the end of the application period and in case of termination, immediately after the application period has terminated.

## Application

Applications for the shares within the Offering should relate to a minimum of 700 shares in even lots of 100 shares each. Applications to take part in the Offering should be made through Mangold's website or by using the application form which is available to download at Mangold's and the Company's website. The application form should be sent to the address below and should be Mangold at hand no later than 1 June 2016, 23:59 Swedish time.

Mangold Fondkommission AB  
Issue: The Marketing Group  
Box 55691  
SE-102 15 Stockholm, Sweden  
Visiting address: Engelbrektsplan 2, Stockholm  
Phone: +46 8-503 015 50  
Fax: +46 8-503 015 51  
**E-mail: [ta@mangold.se](mailto:ta@mangold.se)**

Applications received late, as well as incomplete or incorrectly filled in applications may be discarded. No amendments or additions may be made to pre-printed text. Only one application per person may be made and only the application that Mangold registers last will be considered. The allotment does not depend on when the application is submitted during the application period. Note that the application is binding.

## Allotment

Allotment is expected to take place on 2 June 2016. As soon as possible thereafter, contract notes will be dispatched to those who have received allotment in the Offering. Those who have not been allotted shares will not be notified.

Decision on allotment of shares in the Offering will be made by The Marketing Group's Board of Directors after consultation with Mangold, whereby the goal will be to achieve a broad distribution of the shares among the general public, in order to facilitate a regular and liquid trading in the shares on Nasdaq First North. Investors subscribing through a Mangold account can be prioritised in the allotment process. Cornerstone Investors are guaranteed allotment in the Offering in accordance with their subscribed amount.

## Payment for the shares

Payment for allotted shares shall be made in accordance with the instructions on the contract note no later than 7 June 2016. Payment may be automatically withdrawn from Mangold accounts. If sufficient funds are not available on the bank account, security depository account or investment savings account on the settlement date or if full payment is not made in due time, allotted

shares may be transferred and sold to another party. The party who initially received allotment of shares in the Offering may bear the difference, should the selling price in the event of such a transfer be less than the price in the Offering.

#### **Announcement of the outcome of the issue**

The final outcome of the Offering will be announced through a press release which will be available on The Marketing Group's website, [www.marketinggroupplc.com](http://www.marketinggroupplc.com) on or about 2 June 2016.

#### **Listing**

The Board of Directors of The Marketing Group has applied for a listing of The Marketing Group on Nasdaq First North. 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.

#### **ISIN code and ticker**

The shares of The Marketing Group will trade in the currency EUR on Nasdaq First North under the ISIN code

GB00BYZX7449 and the ticker TMG.

#### **Restrictions regarding the sale of shares in the Offering**

The Offering is not intended for persons residing in the United States of America, Australia, Hong Kong, Japan, Canada, Switzerland, Singapore, South Africa, New Zealand or any other jurisdiction where participation would require a prospectus, registration or other measures than those required by Swedish law. An application to acquire shares that is in conflict with these restrictions may be invalid.

#### **Financial and legal adviser**

Mangold is the financial adviser to the Company in connection with the Offering. Mangold has assisted the Company with the production of this Investor Memorandum. ebl miller rosenfalck is the legal adviser regarding Swedish and English law for the Company in connection with the Offering.

## MESSAGE FROM THE CHAIRMAN

The marketing services sector, particularly digital marketing and new media, is an incredibly fragmented industry with tens of thousands of companies cannibalising each other's revenues whilst the major industry players service the big contracts. We have created a dynamic, nimble and creative competitor to the larger players and a magnet to the talent and skills that exist in the greater marketplace.

The Marketing Group is a true 360 digital agency. Instead of trying to create a business that has only one real specialism, The Marketing Group aims to provide the full spectrum of services to its clients. This is done by utilising revolutionary product silos with market leading talent and services to provide real specialism in every aspect of marketing services. Whether it is a brand activation campaign for FashionTV or Stella Artois, digital e-commerce solutions for Fiat Chrysler, a social media campaign for Adidas or Procter & Gamble, content creation and video production for Universal or Sony; we have the pedigree, the talent and the dedicated resources to deliver industry best of breed services.

We plan to further bolster this market advantage through a number of strategic acquisitions designed to give us the best talent in the industry and also the financial and geographic scale needed to support our clients on a global basis. Our partnership approach to talent management means that we foster creativity and entrepreneurship within the organisation with real management ownership, while creating an environment of good governance and corporate oversight with a non-executive board of highly experienced business managers.

Our high compliance and shareholder focus also serves to better foster great investor relationships. The business silos within The Marketing Group are long established, profitable and largely debt-free. They have market leading products together with industry leading talent and client portfolios.

Our plan now is to seek a public listing to create an attractive environment for further acquisitions and to create a currency through public quoted stock to incentivise more companies to come and join us. We have a model that means that we can create massive shareholder value from each acquisition, whilst further consolidating what is an incredibly fragmented industry.

Because our acquisitions are mature, profitable and debt-free companies, we are able to insist on a regime of high dividends to further encourage shareholder loyalty. Due to the positive cash flow profile of the parent company, our target is that a high proportion of retained profits are paid out as dividends.

Jeremy Harbour,

Chairman of the Board



## MARKET OVERVIEW

*Certain information set forth in this section has been derived from external sources, as well as publicly available reports from a variety of sources such as institutions and research firms. Industry surveys and publications generally state that the information contained therein has been derived from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company believes that these industry publications, surveys and forecasts are reliable but has not independently verified them and cannot guarantee their accuracy or completeness. The projections and forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences.*

### **Digital advertising is gaining market share driven by rapid growth in mobile, internet and video advertising**

According to PwC, the digital marketing sector will outpace traditional marketing for the foreseeable future. Internet and video game advertising are both expected to grow with a compounded annual growth rate (CAGR) of more than 11 per cent, compared to the entertainment and media sector as a whole that is expected to grow 5.1 per cent CAGR. PwC forecasts the global internet advertising revenue to grow by 12.1 per cent CAGR over the period from 2014 to 2019, increasing the global internet advertising revenue by a total of more than 75 per cent from US\$ 135.42 billion in 2014 to US\$ 239.87 billion in 2019. Internet advertising is expected to overtake TV during 2019 to become the single largest advertising category.

The main contributor to the rapid growth in internet advertising is the surge in mobile internet advertising revenue, which is forecasted to increase by 23.1 per cent CAGR compared to display internet advertising revenue that is expected to grow by 7.9 per cent CAGR. Growing at this pace, the mobile internet advertising revenue will overtake display internet advertising revenue by the year 2019.

### **Technology is innovating advertising and is developing quickly**

According to PwC, 81 per cent of CEOs in a recent survey believed that technology will transform their business in the next five years.<sup>1</sup> This suggests that technology is becoming all-encompassing as it is the only way that companies will stay in touch with their customers in the future. Technology changes the way in which consumers interact as individuals, since they are increasingly using applications such as Facebook, LinkedIn and many others to communicate professionally, commercially and personally.

It is also clear that the pace of change and innovation is not going to slow down and organisations are going to have to adapt to that demand, and respond. To do this, commercial organisations need cutting edge communications and marketing advisers and services.

The price of new technologies continues to fall dramatically; the cost of DNA sequencing per genome has fallen from US\$ 96 million in 2001 to less than US\$ 6,000 in 2013. New technologies are no longer solely the privilege of developed economies and the time it takes to go from breakthrough to the mass market is falling. In the USA, it took 76 years for the telephone to reach half of the population while the smartphone did it in less than ten.

<sup>1</sup> PwC 18<sup>th</sup> Annual Global CEO Survey: "A marketplace without boundaries? Responding to disruption"

The impact of digitalisation has been particularly profound and we are already seeing technology based around the internet create extraordinary value.

The transformative potential of digital in the next decade is immense. In the consumer market, it is believed that this transformation will play out over three digital waves:

- The First Digital Wave: mainly 'another channel' or 'e-commerce' through which to sell and communicate. This has largely happened and even the most traditional businesses are adopting it.
- The Second Digital Wave: digital will move beyond a channel to facilitate an economy of outcomes, where information shared through connected devices helps customers achieve the outcomes they care about. This is already becoming apparent with the 'internet of things' space, which includes all manner of space, which allows services to be delivered by digital means without the delivery mechanism owning any hard assets to enable that delivery.
- But it is believed the Third Digital Wave is just around the corner and will be driven by consumers taking back their digital identity and extracting value from it. Whether in the form of 'buying brands' that aggregate demand across groups of consumers or life providing platforms that will manage digital footprints and consumption.

Companies will find new value in this evolving marketplace by bringing together the four key aspects of digital: Social, Mobile, Analytics and Cloud. It will no longer be enough for companies to form a digital strategy to succeed in this world, they will need a business strategy fit for the digital age.

### **The way in which the marketing and advertising world operates has also changed**

An example: when consumer packaged goods giant Procter & Gamble sneezes the marketing world catches a cold. As the world's biggest media spender, Procter & Gamble is a bellwether for client-agency relationships, and other marketers tend to follow suit. Procter & Gamble recently announced that it had reduced the number of agencies by 40 per cent globally, trimming agency and production spending by around 15 per cent, or US\$300 million. In one global beauty category Procter & Gamble cut spending on digital marketing services by 75 per cent by consolidating with one shop.

What is happening with Procter & Gamble reflects a shake-up in client relationships with their advertising and media agency partners. Chief Marketing Officer Council's strategic brief reveals that only five per cent of marketers report more confidence in their creative and media agencies whilst 72 per cent declare that they will seek new partners to better exploit data and digital.

Marketing is at a crossroad and agency partners are required to work even harder to meet the expectation for performance and creativity, which has created an interesting situation with marketers calling everything from performance to structure into question. They recognise that the world has changed and they are looking for partners who can unlock the new communications landscape in all its manifestations. Marketers are looking well beyond their traditional advertising agency base for expertise to drive marketing performance and handle exploding technology, data, digital migration, channel fragmentation and a more diverse, multicultural consumer base. As budgets shift to fund digital marketing campaigns and more personalised customer engagement, marketers now need different competencies in data analytics, content creation and channel proliferation to improve return on investment (ROI). There is a new focus on finding high performance marketing partners with specialised knowledge and business acumen. An overwhelming 83 per cent of clients surveyed by The Chief Marketing Officer Council are looking for unique skill sets and specialised capabilities not found in most large advertising agencies or media buying firms.





## BUSINESS OVERVIEW

### THE BUSINESS MODEL – THE SILO APPROACH

The Marketing Group's business model follows a two-pronged approach to enable maximum shareholder value to investors of the Company, and also to deliver optimal solutions to the clients of the Company.

Firstly, by bringing in a full 360 offering through online and offline marketing services, the Company's clients will be able to benefit from the range of specialist brand offerings. The grouping of these different skills within one organisation will thus ensure that each individual area of service delivery includes the very latest thinking and scope to each project. It is a principal of the Company to only work with the leading market professionals in each of the market segments. In this way, the marketing services offered to potential clients are best in breed. Whether the client is looking for a TV commercial, enhancements to their LinkedIn account to become a lead generator, a new or revamped brand or brand strategy, or a combination of these, The Marketing Group is in a position to deliver these services.

Secondly, an original feature of the Company's business model, aside from the leveraging of overseas locations to build presence for each brand, is acquisitions. This way, The Marketing Group can leverage public stock to make fast and efficient deals, but also target industry veterans who will add tremendous value through knowledge and credibility to the group and thus shareholders.

The Company is also taking advantage of the fact that businesses with less than MEUR 20 turnover have difficulty realising appropriate exit valuations in the private market and often have to settle for low earnings multiples and long earn out periods.

#### The investment opportunity

Small businesses, especially in a service sector, are inherently high risk and can be affected by the loss of key clients or key staff. This risk is typically reflected in the price offered by acquiring companies and so business owners, despite having solid, interesting and innovative

businesses generally are only offered unattractive valuations and/or extended earn out periods should they agree to be acquired by a bigger suitor. By gathering the portfolio companies under one roof, The Marketing Group mitigates risks, increases the product offering and decreases overhead costs. Consequently, the small businesses discounted valuations increase as they become part of a larger organisation.

#### Marketing clients

By taking advantage of the skills and power of specialist brands, The Marketing Group can deliver specialist results to a broad range of clients led by talented professionals that are recognised in their field. The Company is in a position to offer the leading global corporations a flexible, value added marketing service at the leading technological edge of developments in their field. All this is strengthened by the combined organisation which enables each portfolio company to attract more substantial contracts and larger revenues to the Group.

In other circumstances, these specialist groups, operating independently, are frequently rejected by larger corporations as service providers because of their size. In spite of their commercial and creative strengths, these specialist groups still lose business to the larger and less nimble agencies despite their often superior offering. Under The Marketing Group's organisation, the portfolio companies thus have the opportunity to fulfil their entire potential.

#### Marketing agencies

Once the Nasdaq First North listing has been achieved, as a publicly listed vehicle, The Marketing Group will base a significant part of their growth strategy on future acquisitions to complement the existing range of specialties. It is the belief of the management team that the Group will be in a position to deliberately attract the best talent in new and emerging areas in marketing and bring them into this vehicle to enable them to grow faster and through more markets.

The Marketing Group believes, with much of today's leadership dialogue and research as support, that autonomy within a framework is the most productive use of a leader's effort. The model devised by the Company therefore allows business owners of acquired subsidiaries to continue to operate normally and independently but with some key differences and many benefits.

Firstly, the acquired subsidiaries joins a group of likeminded business people – studies have shown that the more successful people one interacts with, the more successful one becomes, so a natural quality enhancing effect will be created at the Group meetings.

Secondly, new acquisitions will be offered the chance to partner and joint venture with others in the Group. This is not a forced integration of cost centres, a complete sharing of clients or a removal of duplicated resources – if those synergies occur naturally, then everyone benefits, but to force integrated change into companies that are already profitable and successful would in our view be counterproductive, creating inter-business turmoil, upset and the potential for key staff to leave, resulting in expensive hiring. If left to build relationships at the board meetings and in between, the individual brand owners will naturally start to look for opportunities to collaborate, but only where values align and thus maximum benefits can be derived in a positive environment.

Through a collective balance sheet, smaller businesses can display a far larger presence when they need to and pitch for bigger clients whose risk profiling would prohibit them from working with smaller business. This offers corporate clients both critical mass and creativity. As mentioned previously, the smaller agency is more likely to be cutting edge as they can move faster and innovate more quickly.

The resulting structure of a portfolio approach to a joined up strategy, will significantly mitigate the potential risks for investors through spreading risk across jurisdictions, sectors, marketplaces, product and service lines, and personnel.

## Competitive situation

The marketing services industry is dominated by a handful major players ranging from WWP Group, listed in London, to Omnicom, Publicis and Dentsu all with a multi billion dollar valuation. These businesses were largely built on legacy advertising agency businesses, and have been working hard to reposition themselves in the digital age, mostly through acquisition. They are the natural acquirer for most marketing services businesses that grow beyond a certain size, and would be the competitor to The Marketing Group in its quest to grow by acquisition. On a positive note many people used to work for these companies before starting their own agencies and the idea of going back is not too compelling, they also tend to change a lot operationally when they take over, and this repels the talent from these companies, so the The Marketing Group model is believed to be more appealing to small agencies.

Each subsidiary, however, has its own competitive landscape which is elaborated upon under the company overview of the portfolio companies.

## THE PORTFOLIO COMPANIES

The Company has, as of this Investor Memorandum, four portfolio companies:

- **Nice & Polite** – Creative content agency
- **Black Marketing** – Specialist LinkedIn social exposure
- **One9Ninety** – Social media marketing
- **Creative Insurgence** – Brand activation

## Nice & Polite | Basic company overview

Nice & Polite is a creative content agency founded in 2011. Right from the get go, it has been a well-respected competitor in this particular field, achieving a fair level of success. The company provides full in-house service production from anything film or TV related all the way to album artworks. More specifically, they work across a wide range of disciplines, creating moving image for promos, commercials and TV & film whilst offering a full-service campaign design team. They pride themselves in being able to deliver a story that cuts at the core of the message.

With extensive experience in film, TV, advertising and music video production, whatever the high end video need, Nice & Polite is considered world class. The company's track record and client history opens doors where others cannot, and means trust. As an industry, the quality of content is often down-played as being secondary in importance to the campaign it is a part of. As such, Nice & Polite's perception is that quality has decreased in many areas, and the company's sales game has improved to ensure that prospects know why paying for the highest quality in production is necessary. This has been a major challenge, but due to Nice & Polite's dedication to keep quality high, the company has become the go-to production company to those who seek superior levels. The consumer market who receives the content is responding that higher quality content is on its rise again.

Nice & Polite plans to capitalise on the growing demand for live music events globally. With 'experience' becoming more and more important to the consumer, and the more challenging environment for bands and artists to make money selling tracks, live events continue to be a growing market. Nice & Polite is also looking into the growing demand for higher quality storytelling video production in the corporate and business space to communicate value propositions to market places.

There are major broadcast competitors although they are often separated to the creative part of the process and generally have much higher cost base which is passed on to the client. There are also a huge number of less experienced micro businesses in this area, and Nice & Polite has to sell against them on client pedigree and quality. However with advent of 4K, 3D and virtual reality, the company is constantly developing to stay at the forefront of creative content, but in any of these areas new specialist competitors could emerge.

Nice & Polite has many clients who are key players in their industry, such as Disney, Apple, NBC, Glenmorangie, Lego and Louis Vuitton.

## Director profiles | Ross Anderson

Ross started his career as a music video commissioner at Polydor Records/Universal Music where he worked for over ten years before he progressed to become creative director at Polydor. Ross has been responsible for hugely successful videos for a variety of high profile artists and their global campaigns - including Rolling Stones, Enrique Iglesias, Take That, Cheryl Cole, Klaxons, White Lies, Duffy and many others.

In 2011, Ross made the bold move from creative director to production company boss and established his own creative content agency called Nice & Polite.

At Nice & Polite, Ross has proved himself as an effective managing director and team leader - using his 15 years of experience in both the music, content and advertising markets. Ross is both a creative innovator, and a consummate professional when it comes to building the company and leading its growth. Ross has created, launched and grown Nice & Polite over the last four years to become an award winning, multi-platform agency - winning and retaining a great deal of high profile clients including Apple, Samsung, Universal, Sony, BBC, Getty, Disney, Virgin and Glenmorangie to name a few - and the list continues to grow. His creative passion and energy has meant a high level of verve and quality in the work Nice & Polite has produced. As managing director he has kept the business consistently in profit and maintained a solid and trusted reputation amongst clients, suppliers and staff.

## I Conrad Swailes

Conrad has 29 years of experience in global business solutions, online marketing and global sourcing. He delivers clear, down to earth business success at extremely competitive rates, "bridging the gap" between online and offline business models. Conrad's entrepreneurial approach and global network always uncovers new options and opportunities for his clients.

His involvement has encompassed boardrooms in international companies, including overseas relocations and setups, acquisitions and sales. Conrad also has a vast experience in caretaker management, team building and leadership roles, sourcing, brand protection, outsourcing, and implementing "catch-up" online marketing strategies. He especially likes working with "potential", no matter how small because in his digital world with no borders, businesses and brands grow fast.

Conrad was previously Director and Managing Director at IGS and ICD and Director of SRG in Sri Lanka.

## Nice & Polite I Quantitative overview

Company	Nice and Polite Ltd
Representative	Ross Anderson
Employees	8
Sales	€ 841,216
Key clients	Universal Island Records Sony Virgin Music & Media Apple Syfy Channel
Services	Creative Visual content Music Advertising Film
Office	London

### Black Marketing I Basic company overview

Black Marketing is a premium, personalised, boutique B2B marketing consultancy that was established in 2014. The company specialises in social media marketing through LinkedIn and creates value to businesses by enhancing personal branding on LinkedIn. More specifically, Black Marketing creates and manages the LinkedIn pages of companies. The Company also does ghost blogging on LinkedIn as one of its services and has proved itself as a key player in B2B content marketing strategies.

Black Marketing has a unique premium proposition to entrepreneurs and C-Suite professionals, globally, from Singapore's No.1 LinkedIn Profile and a LinkedIn Power Profile, enabling them to be positioned as industry leaders and authorities to boost their personal brand as well as the attractiveness of their department to potential employees. There are a number of agencies working with companies to leverage the highly targeted nature of LinkedIn users, but none that come close to Black Marketing on profile optimisation at C-Level. The service is hard to replicate, labour heavy to do it right, and very few have Chris Reed's experience on LinkedIn or followers.

Black Marketing's biggest opportunity is in China as the fastest growing market. Dubai and other expat markets also have great potential and Black Marketing is actively putting legs on the ground in some of these areas to

explore. The biggest tech opportunities for the company is with automated software to remove some of the labour costs. These are slow, but progressive, as the human element is more important than any other platform, and hard to automate.

The main competitors are PR companies that are starting to encroach on the social media content production area, there are no major players in this space, but every city has dozens of small operations.

Black Marketing is known as a winning new business on LinkedIn; the world's premier B2B Social Media Platform.

### Director profile I Chris Reed

Chris is an Official LinkedIn Power Profile and has one of the world's most viewed LinkedIn profiles with more than 60,000 followers and is one of the region's top social sellers. Chris is also a serial entrepreneur having created marketing businesses in both Europe and now in Asia Pacific with Black Marketing – enabling LinkedIn for you.

Chris has also led a variety of digital and partnership marketing agencies on both sides of the world as well as been Chief Marketing Officer of social media consumer brands in both London and Singapore. Chris is one of the region's most influential bloggers, has featured in books, regularly speaks and chairs at events and is a mentor for the Chief Marketing Officers Council.

### Black Marketing I Quantitative overview

Company	Black Marketing Pte Ltd
Representative	Chris Reed
Employees	22
Sales	€ 840,470
Key clients	Intel SAP Temasek WPP NTUC
Services	LinkedIn marketing specialist
Office	Singapore

## One9Ninety | Basic company overview

Founded in 2008 by Laurent Verrier, One9Ninety operates in South East Asia and China through its office in Singapore. From social strategy to daily campaign execution, they have a dedicated team that strives to deliver best in class social and digital media programs and have proudly partnered with over 50 brands and customers in the APAC region.

One9Ninety specialises in marketing of brands on the social web working with development and execution of social and digital media strategies. The team has an intense focus on business objectives to deliver brand equity, sales and loyalty. One9Ninety also develop innovative web, Facebook and mobile applications and are experts in social commerce.

One9Ninety created a platform that capitalises on the fact that out of 100 netizens, only one creates original content, nine edit it and ninety are influenced by it. The company tracks, identifies and engages with the one per cent online creators and the nine per cent fast followers to influence the perception and purchasing decisions of the 90 per cent mass audience. One9Ninety therefore has the power of a much larger agency, but with the agility of the more boutique outfit. The company does this through its own influencer network, combined with more traditional social marketing. This approach also de-risks the ability to have impact by the very nature that the campaigns enrol so many influencers to achieve that impact.

There are new social media agencies popping up all the time, everywhere, trying to capitalise on the next big platform, or be specialists in an established one. Having seen them come and go over the course of our eight years in business, One9Ninety's dedication to a joined up approach, maximising campaign leverage from the core and most popular platforms, has meant that the company has stayed the course and thrived. Couple that with One9Ninety's influencers' platform, giving the company a unique advantage, the competitor threats are minimised.

Being on the cutting edge of social digital marketing, there's always scope in existing markets to gain larger and longer contracts, and One9Ninety continues to achieve this. However with the expansion of digital into emerging markets, specifically through mobile devices, the company sees huge potential there to gain early

traction, and are actively pursuing trusted partner relationships to enable introductions and eventually offices in emerging markets with both existing clientele and new. One9Ninety also see new technology in tracking and data capture/analysis all the time which the company has their finger on the pulse of, allowing to test and then utilise what's working. One9Ninety sees great acquisition potential with these technologies also.

The main competitors are mainly small three and four man operations who offer a low cost solution, but these companies are typically unable to attract the big brands that One9Ninety work with.

The company has worked with many clients who are big industry players such Yahoo, Volvo, Shiseido, Playboy Fragrances, Adidas and L'Oreal Paris just to name a few.

## Director profile | Laurent Verrier

Laurent Verrier's 20 years management experience spans across the media, internet and wireless industries.

In January 1998 Laurent accepted to manage the Asia-Pacific Development of Pearl & Dean, Asia's largest out of home media network, later acquired by JC Decaux. In this role, he set up new operations in China & Korea and supported existing businesses across Asia.

Next, Laurent co-founded Oneday Interactive, a mobile marketing agency that he sold in 2004 to join Mobile 365 Asia (now Sybase) as VP Wireless Network Services.

Laurent's combined old and new media experience was put at the service of Viacom's MTV Networks Asia where he took on the role of General Manager Digital Media in 2005 and 2006, overseeing online and mobile businesses for MTV, Nickelodeon & VH1 channels.

In 2007, Laurent oversaw the digital media efforts of News Corp's Fox International and National Geographic Channels in Asia. Laurent's entrepreneurial spirit led him to invest in virtual game developers Magma Studios as well as found his second venture, One9Ninety, in 2008. He has since grown the business in SEA & China, helping multi national companies such as L'Oreal, LG, IKEA and Lufthansa market themselves on the social web.

## One9Ninety | Quantitative overview

Company	One9Ninety Pte Ltd
Representative	Laurent Verrier
Employees	18
Sales	€ 1,126,266
Key clients	Yahoo Microsoft COTY Volvo Cars Jimmy Choo
Services	Social Media Strategy & Execution
Office	Singapore

## Creative Insurgence | Basic company overview

Bars, clubs, restaurants - Creative Insurgence is a marketing agency specialising in lifestyle marketing with some of the region's biggest brands and groups including Ministry of Sound, the Pangaea Group and the Massive Collective outlets.

Creative Insurgence's biggest strength is the event experience. When the company markets a product or brand, it does it with a bang and bring extraordinary experiences to those at the events, and those who experience the social media ripple across the internet. This approach has allowed Creative Insurgence to repeatedly work with the biggest drinks, luxury and sporting brands in the world. In that sense, some have called the company's approach a little one dimensional, but with experiences of brands becoming more and more popular, and live events generating a greater than ever demand, Creative Insurgence sees this potential weakness as the company's greatest strength as well.

There are several companies in Singapore offering similar services, some much larger and longer standing, offering clients the obvious security of vast client case studies and success stories. Creative Insurgence's specific experience in certain industries makes gaining and expanding contract in those simpler, which allows the company to create presence to approach new sectors and compete with these larger businesses. Creative Insurgence are seeing growth in the existing sectors due to having so much social proof, and growth in new sectors as that social proofing carries. A continued growth area is also popular drinks brands in the west looking to launch in Singapore to establish an Asia base.

With a staff strength of 20 in three cities in Asia, Creative Insurgence are proud to helm a tightly knit community of "insurgents" which is an active and evolving database numbering into 100,000, all united by their love for what the brand represents: fun, energy and a good time. In 2015, they expanded into the role of operator. Today the agency is part owner and exclusive operator of the FashionTV club Singapore, a 10,000 square feet venue with a capacity of 1,000.

The main competitors are small PR and events businesses that are trying to widen their product offering, again there are no real major players in this area, but many small competitors.

Creative Insurgence manages many loved brands - including Stella Artois, Jaegermeister and Hoegaarden for the Pacific Beverages group.

## Director profile | Aaghir Yadav

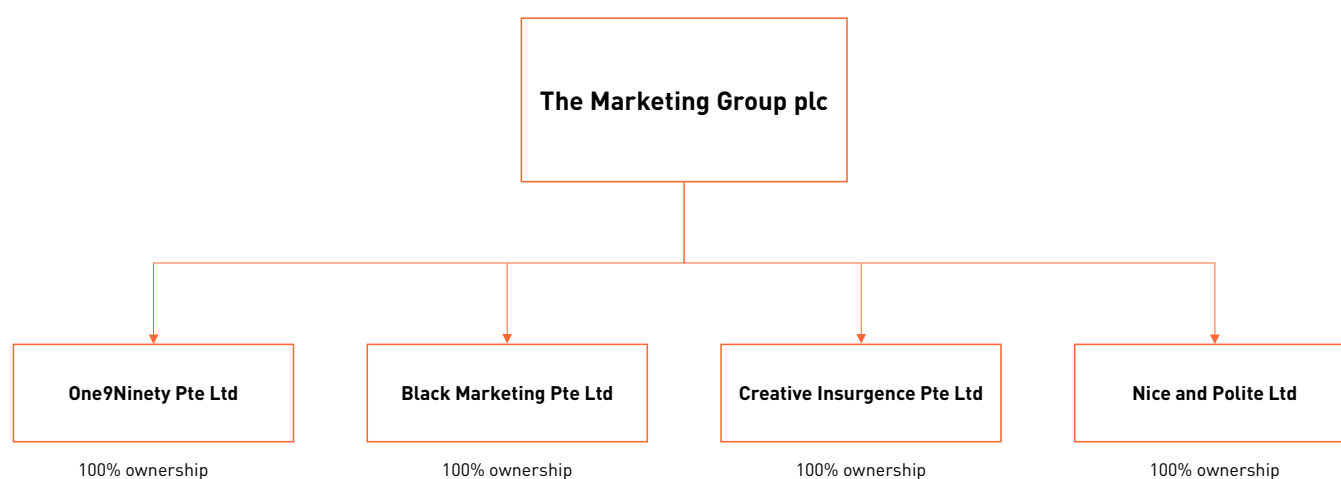
Aaghir Yadav is a serial entrepreneur who started his first business at the age of 18 with a tuition agency but was always drawn to the lifestyle sector of business. At the age of 21 he sold his agency and ventured into swimwear retail. Prior to the age of budget airlines, the tropical country of Singapore had a shortage of swimwear. Aaghir expanded into two retail stores and eventually manufactured his own line under the label 'Buttcheeks'. The brand gained a cult status and Buttcheeks was invited and paid to do Victoria's Secret styled fashion shows for various brands and venues including Ted Baker. This evolution led to the birth of Creative Insurgence in 2009. As demands for shows and activations grew, Aaghir eventually sold the retail business to focus on the service sector. Focusing on creating Asian friendly content, Aaghir regularly travels in the region to spot emerging trends and to keep his finger on the pulse. Aaghir has quickly developed a reputation for himself in the region's entertainment scene.

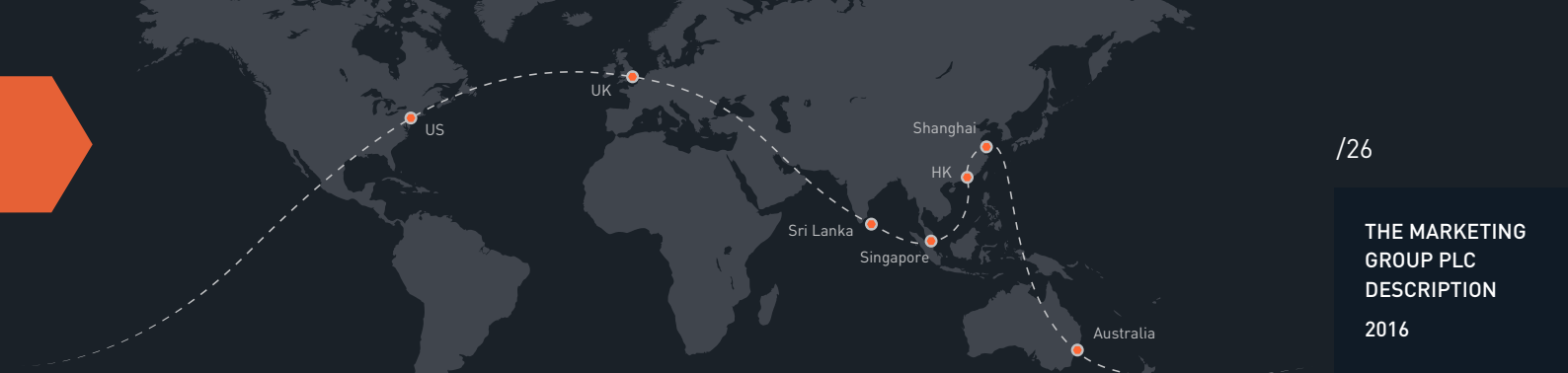


## Creative Insurgence | Quantitative overview

Company	Creative Insurgence Pte Ltd
Representative	Aaghir Yadav
Employees	14
Sales	€ 1,748,192
Key clients	World Sports Group Stella Artois Ministry of Sound Monster Energy FashionTV Jaegermeister
Services	Brand activation, events
Office	Singapore, Sri Lanka

## THE MARKETING GROUP'S ORGANISATIONAL STRUCTURE



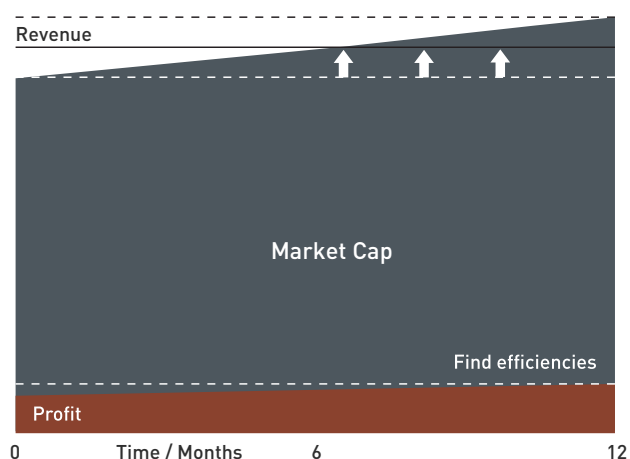


## THE FUTURE AND HOW THE COMPANY PLANS TO INCREASE SHARE VALUE

The business landscape in which The Marketing Group is planning to operate includes a substantial number of small independent marketing related businesses, typically with turnover of less than MEUR 10. These businesses have a wide variety of clients and client types, a huge human talent pool within their organisations, and cutting edge strategies that they have developed in their business models. Through the use of publicly listed stock, the Company will be in a position to offer the owners of these businesses a higher price to earnings (P/E) multiple than they could otherwise achieve through a private sale. After the listing, there will be a degree of liquidity in The Marketing Group's stock holding, which may enable the Company to acquire new business more easily. The combined group of companies will be able to research and develop new strategies, techniques and services more quickly. Moreover, the portfolio companies will share a central, common, operational platform on which to function, with the additional strategic and business input of the experienced executive Unity Group Board and also of their peers within the Company.

### Partial integration

The way in which the Company is structured will also enable the individual teams to optimise their working practices and also to a variable degree their costs: through the board meetings and subsequent follow ups, the Company management expect cost synergies and



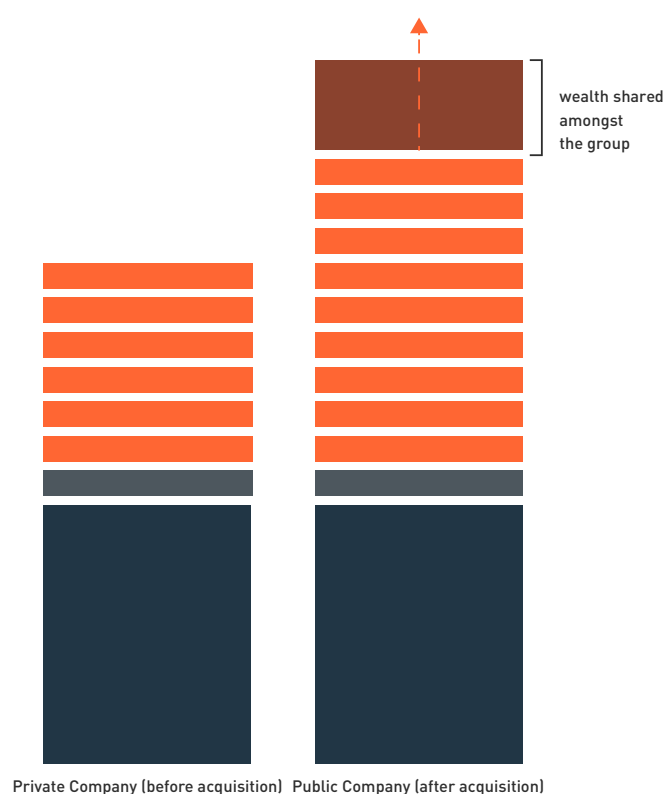
potential partnership and joint venture opportunities to build new client relationships and attract new business. The Company management do not feel however, that this business will be dependent on this collaboration, and synergy to succeed, and has no intention of imposing a strict managerial structure to achieve this.

### Promotion of the business model

The plans for the Company are a new departure from the way such business has been developed in the past, and the management is aware that this will attract attention within the industry. There will be a media program, to inform the industry press and highlight the development of the business and the Company strategy, as a much more collaborative yet remaining independent approach.

### Acquisitions

The Marketing Group's acquisitions will be strategic rather than tactical in nature and designed to both build out the service offering, and increase shareholder value through the private value/public value difference. Every time the Company acquires a profitable company at a lower P/E multiple than the Company's current trading multiple, there is a compounded share value increase.



## SELECTED FINANCIAL INFORMATION

The following tables present selected financial statement information of the Company and the Company's subsidiaries for the fiscal years ended 31 December 2015, 31 December 2014 and quarter ended 31 March 2016. The summary presented below is based on the audited financial statements of The Marketing Group for the fiscal year ended 31 December 2015 and the unaudited financial statements for the quarter ended 31 March 2016. The financial statement information of the Company's subsidiaries are based on the audited and unaudited financial statements for the fiscal years ended 31 December 2015 and 31 December 2014 for each of the four subsidiaries.

This section should be read in conjunction with The Marketing Group's audited financial statements for the fiscal year ended on 31 December 2015, unaudited financial statements for the quarter ended 31 March 2016 and audited and unaudited financial statements for the fiscal years ended 31 December 2015 and 31 December 2014 for each of the four subsidiaries, as well as the section "Comments to the financial information" in this Investor Memorandum. The Marketing Group's financial statements have been prepared in accordance with the Companies Act 2006 and International Financial Reporting Standards (IFRS) as adopted by the European Union. Three of the subsidiaries' annual accounts have been prepared in accordance with Singapore Financial Reporting Standards (FRS), the fourth is incorporated in England and the annual accounts have been prepared in accordance with United Kingdom FRS for Smaller Entities (effective April 2008). The summary below does not include all information of the financial statements.

### CONSOLIDATED PROFIT AND LOSS STATEMENT

EUR	The Marketing Group plc Consolidated quarter ended 31 Mar 2016	Black Marketing Pte Ltd quarter ended 31 Mar 2016	One9ninety Pte Ltd quarter ended 31 Mar 2016	Creative Insurgence Pte Ltd quarter ended 31 Mar 2016	Nice and Polite Ltd quarter ended 31 Mar 2016	Year ended 31 Dec 2015
<b>Sales</b>	<b>1,040,517</b>	<b>200,554</b>	<b>333,158</b>	<b>406,321</b>	<b>100,485</b>	-
Cost of sales	-279,482	-13,320	-33,795	-182,381	-49,986	-
<b>GROSS PROFIT</b>	<b>761,035</b>	<b>187,234</b>	<b>299,363</b>	<b>223,940</b>	<b>50,499</b>	-
<b>OVERHEAD</b>						
Administration	-123,796	-47,363	-11,936	-40,761	-23,736	-
Personnel	-343,472	-127,453	-70,444	-103,882	-41,693	-
Premises	-45,815	-26,559	-6,098	-9,945	-3,213	-
<b>TOTAL OVERHEAD</b>	<b>-513,083</b>	<b>-201,375</b>	<b>-88,479</b>	<b>-154,588</b>	<b>-68,641</b>	-
<b>EBITDA</b>	<b>247,953</b>	<b>-14,141</b>	<b>210,884</b>	<b>69,352</b>	<b>-18,143</b>	-
Finance costs	-5,786	-3,725	-1,350	-	-711	-
<b>Cash generation</b>	<b>242,167</b>	<b>-17,866</b>	<b>209,534</b>	<b>69,352</b>	<b>-18,854</b>	-
Depreciation & amortisation	-9,713	-814	-957	-	-7,943	-
<b>Net profit</b>	<b>232,454</b>	<b>-18,680</b>	<b>208,577</b>	<b>69,352</b>	<b>-26,796</b>	-
Taxation	-3,256	3,176	-	-11,790	5,359	-
<b>PROFIT FOR THE PERIOD</b>	<b>229,198</b>	<b>-15,504</b>	<b>208,577</b>	<b>57,562</b>	<b>-21,438</b>	-

## CONSOLIDATED BALANCE SHEET

EUR	The Marketing Group plc Consolidated quarter ended 31 Mar 2016	The Marketing Group plc quarter ended 31 Mar 2016	Black Marketing Pte Ltd quarter ended 31 Mar 2016	One9nety Pte Ltd quarter ended 31 Mar 2016	Creative Insurgence Pte Ltd quarter ended 31 Mar 2016	Nice and Polite Ltd quarter ended 31 Mar 2016	Year ended 31 Dec 2015
<b>ASSETS</b>							
<b>Non-current assets</b>							
Tangible including developed software	213,632	-	7,674	3,017	1,463	201,479	-
Minority shareholdings in unlisted investments	643,204	-	-	-	643,204	-	-
<b>Total non-current assets</b>	<b>856,836</b>	<b>0</b>	<b>7,674</b>	<b>3,017</b>	<b>644,667</b>	<b>201,479</b>	<b>0</b>
<b>Current assets</b>							
Debtors	1,413,404	-	299,701	657,643	271,360	184,699	-
Bank balances	120,604	2	10,505	22,204	55,893	32,000	2
<b>Total current assets</b>	<b>1,534,008</b>	<b>2</b>	<b>310,207</b>	<b>679,847</b>	<b>327,253</b>	<b>216,699</b>	<b>2</b>
<b>Total assets</b>	<b>2,390,844</b>	<b>2</b>	<b>317,881</b>	<b>682,864</b>	<b>971,920</b>	<b>418,178</b>	<b>2</b>
<b>Current liabilities</b>							
Creditors falling due within one year	654,717	-	97,133	141,842	259,945	155,796	-
<b>Net current assets</b>	<b>879,291</b>	<b>2</b>	<b>213,073</b>	<b>538,005</b>	<b>67,308</b>	<b>60,903</b>	<b>2</b>
<b>Non-current liabilities</b>							
Creditors falling due after one year	181,383	-	181,383	-	-	-	-
<b>Total liabilities</b>	<b>836,100</b>	<b>0</b>	<b>278,517</b>	<b>141,842</b>	<b>259,945</b>	<b>155,796</b>	<b>0</b>
<b>NET ASSETS</b>	<b>1,554,744</b>	<b>2</b>	<b>39,364</b>	<b>541,022</b>	<b>711,975</b>	<b>262,381</b>	<b>2</b>
<b>Capital &amp; reserves</b>							
Called up share capital	2	2	-	-	-	-	2
Issued share capital	174,801		65,001	107,250	1,300	1,250	
Other reserves	653,112		-	-	653,112	-	
Profit & loss account	726,828	-	-25,637	433,771	57,563	261,131	-
<b>Shareholder funds</b>	<b>1,554,743</b>	<b>2</b>	<b>39,364</b>	<b>541,021</b>	<b>711,975</b>	<b>262,381</b>	<b>2</b>

## STATEMENT OF CASH FLOW

EUR	Quarter ended 31 Mar 2016	Year ended 31 Dec 2015
<b>Cash flow from operating activities</b>		
Profit before taxation	232,454	-
<b>Adjustment for</b>		
Depreciation	9,713	-
Forex - Unrealised	9,906	-
Distributions to shareholders	-	-
	<b>252,073</b>	<b>0</b>
<b>Changes in Working Capital</b>		
Increase in debtors	-296,061	-
Decrease in creditors	-221,907	-
Increase in creditors	-	-
<b>Net cash generated from activities</b>	<b>-265,895</b>	<b>0</b>
<b>Cash flow from investing activity</b>		
Expenditure on assets and development	-26,799	-
<b>Cash flow from financing activity</b>		
Increase of term debt	131,357	-
Issue of share capital	-	2
<b>Net change in cash and cash equivalents</b>	<b>-161,337</b>	<b>2</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>281,939</b>	<b>0</b>
<b>Cash and cash equivalents at end of period</b>	<b>120,602</b>	<b>2</b>

**BLACK MARKETING - PROFIT AND LOSS STATEMENT**

EUR	Quarter ended 31 Mar 2016	Year ended 31 Dec 2015	Year ended 31 Dec 2014
<b>Sales</b>	<b>200,554</b>	<b>840,470</b>	<b>347,020</b>
Cost of sales	-13,320	-	-2,281
<b>GROSS PROFIT</b>	<b>187,234</b>	<b>840,470</b>	<b>344,739</b>
<b>OVERHEAD</b>			
Administration	-47,363	-276,310	-92,778
Personnel	-127,453	-184,918	-37,763
Premises	-26,559	-42,255	-40,723
<b>TOTAL OVERHEAD</b>	<b>-201,375</b>	<b>-503,482</b>	<b>-171,264</b>
<b>EBITDA</b>	<b>-14,141</b>	<b>336,987</b>	<b>173,475</b>
Finance costs	-3,725	-2,606	-
<b>Cash generation</b>	<b>-17,866</b>	<b>334,382</b>	<b>173,475</b>
Depreciation & amortisation	-814	-1,235	-60
<b>Net profit</b>	<b>-18,680</b>	<b>333,146</b>	<b>173,416</b>
Taxation	3,176	-24,794	-
<b>PROFIT FOR THE PERIOD</b>	<b>-15,504</b>	<b>308,352</b>	<b>173,416</b>

**ONE9NINETY - PROFIT AND LOSS STATEMENT**

EUR	Quarter ended 31 Mar 2016	Year ended 31 Dec 2015	Year ended 31 Dec 2014
<b>Sales</b>	<b>333,158</b>	<b>1,126,266</b>	<b>906,741</b>
Cost of sales	-33,795	-600,510	-503,241
<b>GROSS PROFIT</b>	<b>299,363</b>	<b>525,755</b>	<b>403,500</b>
<b>OVERHEAD</b>			
Administration	-11,936	-52,050	-71,670
Personnel	-70,444	-301,567	-245,235
Premises	-6,098	-16,461	-20,803
<b>TOTAL OVERHEAD</b>	<b>-88,479</b>	<b>-370,078</b>	<b>-337,708</b>
<b>EBITDA</b>	<b>210,884</b>	<b>155,678</b>	<b>65,792</b>
Finance costs	-1,350	-	-
<b>Cash generation</b>	<b>209,534</b>	<b>155,678</b>	<b>65,792</b>
Depreciation & amortisation	-957	-6,989	-23,425
<b>Net profit</b>	<b>208,577</b>	<b>148,689</b>	<b>42,367</b>
Taxation	-	-	1,001
<b>PROFIT FOR THE PERIOD</b>	<b>208,577</b>	<b>148,689</b>	<b>43,368</b>

## CREATIVE INSURGENCE - PROFIT AND LOSS STATEMENT

EUR	Quarter ended 31 Mar 2016	Year ended 31 Dec 2015	Year ended 31 Dec 2014
<b>Sales</b>	<b>406,321</b>	<b>1,748,192</b>	<b>657,174</b>
Cost of sales	-182,381	-292,736	-308,225
<b>GROSS PROFIT</b>	<b>223,940</b>	<b>1,455,456</b>	<b>348,949</b>
<b>OVERHEAD</b>			
Administration	-40,761	-192,198	-139,868
Personnel	-103,882	-317,460	-167,081
Premises	-9,945	-43,089	-12,610
<b>TOTAL OVERHEAD</b>	<b>-154,588</b>	<b>-552,747</b>	<b>-319,560</b>
<b>EBITDA</b>	<b>69,352</b>	<b>902,709</b>	<b>29,390</b>
Finance costs	-	-	-
<b>Cash generation</b>	<b>69,352</b>	<b>902,709</b>	<b>29,390</b>
Depreciation & amortisation	-	-	-6,826
<b>Net profit</b>	<b>69,352</b>	<b>902,709</b>	<b>22,564</b>
Taxation	-11,790	-153,460	-
<b>PROFIT FOR THE PERIOD</b>	<b>57,562</b>	<b>749,249</b>	<b>22,564</b>

## NICE &amp; POLITE - PROFIT AND LOSS STATEMENT

EUR	Quarter ended 31 Mar 2016	Year ended 31 Dec 2015	Year ended 31 Dec 2014
<b>Sales</b>	<b>100,485</b>	<b>841,216</b>	<b>472,975</b>
Cost of sales	-49,986	-537,595	-288,153
<b>GROSS PROFIT</b>	<b>50,499</b>	<b>303,621</b>	<b>184,822</b>
<b>OVERHEAD</b>			
Administration	-23,736	-34,757	-45,181
Personnel	-41,693	-91,621	-43,388
Premises	-3,213	-13,209	-9,975
<b>TOTAL OVERHEAD</b>	<b>-68,641</b>	<b>-139,587</b>	<b>-98,544</b>
<b>EBITDA</b>	<b>-18,143</b>	<b>164,034</b>	<b>86,279</b>
Finance costs	-711	-	-
<b>Cash generation</b>	<b>-18,854</b>	<b>164,034</b>	<b>86,279</b>
Depreciation & amortisation	-7,943	-4,338	-1,820
<b>Net profit</b>	<b>-26,796</b>	<b>159,696</b>	<b>84,459</b>
Taxation	5,359	19,500	-14,099
<b>PROFIT FOR THE PERIOD</b>	<b>-21,438</b>	<b>179,197</b>	<b>70,360</b>

# COMMENTS TO THE FINANCIAL INFORMATION

## FISCAL YEAR 2015

The Company was formed on 22 May 2015 and has not been carrying out any operations during year 2015. The Company has received no income or incurred any expenses during the period and has therefore not made a profit nor loss. The Company's balance sheet is wholly consisting of paid-up share capital and cash at hand of € 2.

## FIRST QUARTER OF 2016

### Income Statement

#### Sales

Sales for the first three months, ended 31 March 2016, amounted to € 1,040,517. Sales were primarily explained by the strong operations that each portfolio company did undertake during the quarter. The quarter was, however, effected negatively by the additional holidays as an effect of Easter occurring in March this year.

#### Expenses

Expenses for the first three months, ended 31 March 2016, was divided between Cost of Sales, amounting to € -279,482, and Overhead, amounting to € -513,083. The Marketing Group's largest costs are tied to personnel which is a consequence of the Company's subsidiaries being labor intensive.

#### Finance costs

Finance costs amounted to € 5,786 for the first quarter 2016. The limited costs of interest is an effect of The Marketing Group being almost free of interest-bearing debt.

#### Profit or loss

The Marketing Group reported a profit of € 229,198 for the first quarter 2016. The profit is mainly attributable to the high gross profit.

## Balance Sheet

### Assets

The Company's assets amounted to € 2,390,844 for the first quarter 2016. The assets mainly constitute of debtors and minority shareholdings in unlisted investments.

### Equity

The Marketing Group's equity of € 1,554,744 mainly constitutes of merger reserves as a consequence of the acquisitions performed during the first quarter 2016.

### Liabilities

Creditors falling due within one year and creditors falling due after one year are the two posts that together form The Marketing Group's liabilities after the first quarter 2016. Creditors falling due within one year make up for € 654,717 out of the total € 836,100 in total liabilities. The concentration to short-term liabilities is due to the operations of the Company's subsidiaries.

## Cash flow statement

### Cash flow from operating activities

The Marketing Group's cash flows from operating activities for the first quarter 2016 amounted to € 252,073 and mainly attributable to profit before taxation.

### Cash flow from investing activities

Cash flow from investing activity amounted to € -26,799 for the first quarter 2016. The investment cash flows was is attributable to expenditure on assets and development.

### Cash flow from financing activity

During the first quarter 2016, cash flow from financing activity amounted to € 131,357. The cash flow increase was a consequence of an increase in term debt which was used to finance a relocation of offices.



## OTHER FINANCIAL INFORMATION

### WORKING CAPITAL STATEMENT

The Board of Directors of The Marketing Group consider that the working capital is sufficient for current needs over the next 12 months counting from the date of this Investor Memorandum. This means that the Company can meet its payment obligations, operate and develop the business to the extent that the Company has planned.

### INVESTMENTS

Creative Insurgence has a client relationship with FashionTV, under this agreement Creative Insurgence receives a retainer of SGD 20,000 per month to carry out all of their Singapore based marketing activity. They went on to win a prestigious marketing award for this campaign and FashionTV sought to further deepen the relationship and it was agreed that if Creative Insurgence covered certain costs for event staff and entertainers at the FashionTV club in Singapore, they would be entitled to a 10 per cent profit share. This investment in 2015 became € 653,100, but has now secured them a 10 per cent share of future profits from the venue in addition to the retainer income. This transaction was scrutinised by the companies external accountants before preparation of the end of year accounts.

### ACQUISITIONS

The Company has during the first quarter of 2016 acquired four companies who are now wholly owned subsidiaries to the Company. All four acquisitions were cashless transactions as the sellers of the subsidiaries received shares in the Company as payment in kind. See "Legal considerations and supplementary information – Material agreements" for more information.

### PLEDGED ASSETS

There are no pledged assets in The Marketing Group or its subsidiaries. The non-current liabilities of € 181,383 as seen in the balance sheet has been personally guaranteed by an officer of the subsidiary hence no Group assets was pledged in the process.

### SIGNIFICANT EVENTS AFTER 31 MARCH 2016

The Marketing Group's Board of Directors and the Selling Shareholders has decided to distribute shares ahead of the Company's Listing on Nasdaq First North.

### CERTIFIED ADVISER

Mangold, who is a member of and have an agreement with Nasdaq Stockholm AB, is the Company's Certified Adviser. A Certified Adviser reviews companies whose shares are trading on Nasdaq First North. Nasdaq Stockholm ABs surveillance function continuously review that both companies and Certified Advisers follow Nasdaq First North's rules. The agreement between the Company and Mangold runs with subject to six months' notice by either party. Mangold does not own any shares in the Company.

### LIQUIDITY PROVIDER

The Company has entered into an agreement with Mangold to act as liquidity provider for the Company's shares when they are listed on Nasdaq First North.

### OFF BALANCE SHEET ARRANGEMENTS

The Group is not a party to any off balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Group's financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditure or capital resources.

### FINANCIAL RISKS

See "Risk factors" for information regarding the credit risk, liquidity risk, currency risk and interest rate risk that The Marketing Group is or may be exposed for.

### NET INDEBTEDNESS

With the exception of a loan of €181,383 as disclosed in the balance sheet, the Group has no other interest-bearing liabilities and is financed through cash flows generated from its operations.

### CLIENT RELIANCE

The Subsidiaries of The Marketing Group deal with many blue chip clients, but none of them would be considered material in respect of representing 10 per cent or more of the total revenue or profit of the Group.

# PRO FORMA ACCOUNTS

## BACKGROUND FOR THE PRO FORMA ACCOUNTS

The Marketing Group has during the first quarter 2016 acquired four companies which are now wholly owned subsidiaries to The Marketing Group. The four subsidiaries are:

1. Nice and Polite Ltd
2. Black Marketing Pte Ltd
3. One9Ninety Pte Ltd
4. Creative Insurgence Pte Ltd

The Marketing Group was formed in May 2015 for the specific purpose of bringing together these operating companies and has not traded. Therefore there are no figures to present other than for the four operating subsidiaries.

## PURPOSE OF THE PRO FORMA ACCOUNTS

These pro forma accounts show, for the Group, the pro forma statement of profit or loss and other comprehensive income for the year ended 31 December 2015 as though the Group had existed throughout the year.

The pro forma accounts are presented solely for illustrative purposes. The pro forma accounts are intended to inform and illuminate facts and to describe a hypothetical situation. The pro forma accounts do not disclose the Company's true or anticipated results or financial position. The purpose of the pro forma accounts do not purport to show the financial position at any specific future date or operating results for any future period.

## ACCOUNTING PRINCIPLES

Of the group of the four operating companies, three are incorporated in Singapore and their annual accounts have been prepared in accordance with Singapore Financial Reporting Standards (FRS), the fourth is incorporated in England and the annual accounts have been prepared in accordance with FRS for Smaller Entities (effective April 2008). The pro forma accounts have been prepared in accordance with the recognition and measurement criteria of IFRS, which also include International Accounting Standards (IAS) as issued by the IASB, and with those of the Standing Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The pro forma accounts have been prepared on the historical cost basis and on the going concern basis. The pro forma accounts are presented in EUR.

## FORMATION OF THE PRO FORMA ACCOUNTS

The formation of the pro forma accounts are based on the annual reports of the four subsidiaries. The Marketing Group has not been trading during 2015 and there are therefore no figures to present for the parent company.

## PROFIT &amp; LOSS STATEMENT 2015

EUR	The Marketing Group plc	Black Marketing Pte Ltd	One9ninety Pte Ltd	Creative Insurgence Pte Ltd	Nice and Polite Ltd	Consolidated adjustments	Total
<b>TURNOVER</b>	-	<b>840,470</b>	<b>1,126,266</b>	<b>1,748,192</b>	<b>841,216</b>	-	<b>4,556,144</b>
Cost of sales	-	-	-600,510	-292,736	-537,595	-	-1,430,841
<b>GROSS PROFIT</b>	-	<b>840,470</b>	<b>525,756</b>	<b>1,455,456</b>	<b>303,621</b>	-	<b>3,125,303</b>
<b>OVERHEAD</b>							
Administration	-	-276,310	-52,050	-192,198	-34,757	-	-555,315
Personnel	-	-184,918	-301,567	-317,460	-91,621	-	-895,315
Premises	-	-42,255	-16,461	-43,089	-13,209	-	-115,014
<b>EBITDA</b>	-	<b>336,987</b>	<b>155,678</b>	<b>902,709</b>	<b>164,034</b>	-	<b>1,559,408</b>
Interest receivable	-	-	-	-	-	-	-
Interest payable and similar charges	-	-2,606	-	-	-	-	-2,606
<b>CASH GENERATION FROM OPERATING ACTIVITIES</b>	-	<b>334,382</b>	<b>155,678</b>	<b>902,709</b>	<b>164,034</b>	-	<b>1,556,802</b>
Depreciation	-	-1,235	-6,989	-	-4,338	-	-12,562
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	-	<b>333,146</b>	<b>148,689</b>	<b>902,709</b>	<b>159,696</b>	-	<b>1,544,240</b>
Taxation	-	-24,794	-	-153,460	19,500	-	-158,754
<b>PROFIT FOR THE FINANCIAL YEAR</b>	-	<b>308,352</b>	<b>148,689</b>	<b>749,249</b>	<b>179,196</b>	-	<b>1,385,486</b>
Distributions paid to shareholders	-	-414,708	10,219	-107,004	-	-	-511,493
Foreign exchange variances	-	-	-	-	-	10,628 <sup>1</sup>	10,628
<b>PROFIT FOR THE FINANCIAL YEAR</b>	-	<b>-106,356</b>	<b>158,908</b>	<b>642,245</b>	<b>179,196</b>	<b>10,628</b>	<b>884,621</b>

## Notes

<sup>1</sup> This line item accounts for the difference between the fluctuating foreign exchange rates throughout the fiscal year and the foreign exchange rates at the fiscal year closing date when The Marketing Group are consolidating the accounts.

# AUDITOR'S REPORT ON THE PRO FORMA ACCOUNTS

## THE MARKETING GROUP PLC

### INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN THE INVESTOR MEMORANDUM

YEAR ENDED 31ST DECEMBER 2015

#### Report on the Compilation of Pro Forma Financial Information Included in the Investor Memorandum

We have completed our assurance engagement to report on the compilation of pro forma financial information of The Marketing Group Plc by The Marketing Group Plc. The pro forma financial information consists of the pro forma consolidated profit and loss for the year ended 31st December 2015 and the pro forma consolidated balance sheet as at 31st December 2015. The applicable criteria on the basis of which The Marketing Group Plc has compiled the pro forma financial information are set out on pages 1 and 2.

This report is made solely to the company's board of directors, as a body. Our work has been undertaken so that we might state to the company's directors those matters we are required to state to them in an assurance report on the compilation of pro forma financial information in the investor memorandum and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body, for our assurance work, for this report, or for the opinions we have formed.

The pro forma financial information has been compiled by The Marketing Group Plc to illustrate the impact of the formation of the proposed group on the consolidated financial position as at 31st December 2015, and the proposed group's financial performance for the year ended 31st December 2015 as if the formation of the proposed group had taken place prior to 31st December 2013. As part of this process, information about the company's financial position and financial performance, and that of the proposed subsidiary companies, has been extracted by The Marketing Group Plc from the individual complete financial statements for the year ended 31st December 2013, on which no audit report has been published.

#### The Marketing Group Plc's Responsibility for the Pro Forma Financial Information

The Marketing Group Plc is responsible for compiling the pro forma financial information on the basis of the applicable criteria.

#### Practitioner's Responsibilities

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by The Marketing Group Plc on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3402, Assurance Engagements to Report on the Compilations of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether The Marketing Group Plc has compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria.

For the purposes of this engagement, we are not responsible for updating or reissuing reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in the investor memorandum is solely to illustrate the impact of a significant event or transaction on unaudited financial information of the entity as if the event had occurred or the transaction had been undertaken upon earlier date selected for the purpose of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31st December 2015 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by The Marketing Group Plc in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant events directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of the adjustments to the unaudited financial information.

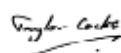
The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Opinion

In our opinion the pro forma financial information has been properly compiled on the basis stated.



James White ACA

For and on behalf of

**tgs** taylorcocks

Portsmouth

Date: 29 March 2015

# BOARD OF DIRECTORS, NON-EXECUTIVE ADVISORS AND AUDITOR

## THE BOARD OF DIRECTORS

The Marketing Group's Board of Directors currently consists of nine (9) ordinary directors including the executive chairman.

According to the Company's Articles of Association, the Board of Directors shall not be less than two but shall not be subject to any maximum number and no shareholding qualification for directors shall be required. As of the date of this Investor Memorandum, the Board of Directors comprises the persons set out in the below table:

Name	Position	Born	Elected
Jeremy Harbour	Executive chairman	1974	2016
Toby Street	Director and European President	1988	2015
Callum Laing	Director and Asia President	1975	2016
Charles Bartholomew	Director and Group CFO	1949	2016
Yang Yen Thaw	Director and Legal Counsel	1969	2016
James Downton	Director	1989	2015
Conrad Swailes	Director	1966	2016
Prakash Somosundram	Director	1977	2016
Hanna Middleton	Director and Communications Director	1977	2016

### JEREMY HARBOUR

*Born 1974, Executive chairman since 2016.*

#### Other current assignments:

Board member of The MINT National Bank, Five5Five Pte Ltd, ILIC Pte Ltd and Iona Global Ltd.

#### Previous assignments (last five years):

None.

#### Shareholding in the company:

Jeremy owns 545,000 shares personally, 550,000 shares through Five5Five Pte Ltd and holds 2,247,373 shares through Unity Group of Companies Pte Ltd. Jeremy is also a connected party to Iona Global Ltd which holds 682,000 shares. The total shareholding corresponds to 27.93 per cent of the shares in the Company.

**TOBY STREET**

*Born 1988, Director and European President since 2015.*

**Other current assignments:**

Board member of Street Assets Ltd, Centurion Web Design Ltd and director of Unity Group of Companies Pte Ltd.

**Previous assignments (last five years):**

None.

**Shareholding in the company:**

Toby owns 180,000 shares in the Company which corresponds to 1.25 per cent of the shares in the Company.

**CALLUM LAING**

*Born 1975, Director and Asia President since 2016.*

**Other current assignments:**

Owner and board member of Fitness Buffet Pte and board member of Entrevo Asia Training as well as director of Unity Group of Companies Pte Ltd.

**Previous assignments (last five years):**

None.

**Shareholding in the company:**

Callum owns 625,000 shares in the Company which corresponds to 4.34 per cent of the shares in the Company.

**CHARLES BARTHOLOMEW**

*Born 1949, Director and Group CFO since 2016.*

**Other current assignments:**

Board member of Catalyst (UK) Ltd and WBAC Ltd.

**Previous assignments (last five years):**

Board member of Amulet Hotkey Ltd, CVT Ltd and Jetstream Profit LLP.

**Shareholding in the company:**

Charles owns 200,000 shares in the Company which corresponds to 1.39 per cent of the shares in the Company.

**YANG YEN THAW**

*Born 1969, Director and Legal Counsel since 2016.*

**Other current assignments:**

Major shareholder of Yangworld Pte Ltd and Panakiea Healthcare Pte Ltd.

**Previous assignments (last five years):**

Non-executive director of The Cha Project Pte Ltd, Artgri Group International Pte Ltd (shareholder of Essilor Amera Pte Ltd) and Beyondsoft International Corporation Limited and partner of RHTLaw Taylor Wessing LLP.

**Shareholding in the company:**

Yen Thaw owns 30,000 shares in the Company which corresponds to 0.21 per cent of the shares in the Company.

**JAMES DOWNTON**

*Born 1989, Director since 2015.*

*Independent to the management and the owners.*

**Other current assignments:**

Board member of Centurion Web Design Ltd, Froggo Marketing Limited, Moneybrands International Limited and Clickverta Ltd.

**Previous assignments (last five years):**

None.

**Shareholding in the company:**

James owns 128,500 shares in the Company which corresponds to 0.89 per cent of the shares in the Company.

**CONRAD SWAILES**

*Born 1966, Director since 2016.*

*Independent to the management and the owners.*

**Other current assignments:**

Board member of Voqs Ltd.

**Previous assignments (last five years):**

Founder of Webop and Managing Director of IGS & ICD.

**Shareholding in the company:**

Conrad owns 0 shares in the Company directly but holds 256,000 shares through Fiona Swailes, 32,000 shares through Mia Swailes & 32,000 through Jordan Swailes, all of which are immediate family members whose shareholding totals 320,000. This corresponds to 2.22 per cent of the shares in the Company.

**PRAKASH SOMOSUNDRAM**

*Born 1977, Director since 2016.*

*Independent to the management and the owners.*

**Other current assignments:**

Board member of Action Community for Entrepreneurship and major shareholder in Yolk Private Limited, founder at Pealo Pte Ltd, co-founder of Singapore Fintech Consortium and vice-chairman of ACE Ltd.

**Previous assignments (last five years):**

Business Adviser to Sourceguru and co-founder of sense IT Pte Ltd.

**Shareholding in the company:**

Prakash owns 330,000 shares in the Company which corresponds to 2.29 per cent of the shares in the Company.

**HANNAH MIDDLETON**

*Born 1977, Director and Communications Director since 2016.*

**Other current assignments:**

Founder of Original Folk.

**Previous assignments (last five years):**

Associate Director in H+K Strategies UK, director in Brooklyn Brothers and Head of Communications at ITV.

**Shareholding in the company:**

Hannah owns 20,000 shares in the Company which corresponds to 0.14 per cent of the shares in the Company.

**THE NON-EXECUTIVE ADVISORS**

As of the date of this Investor Memorandum, the non-executive advisors comprises the persons set out in the below table:

Name	Position	Born	Held position since
Chris Reed	Global President of LinkedIn Marketing	1970	2016
Laurent Verrier	Global President of Social Media Marketing	1965	2016
Ross Anderson	Global President of Creative Content	1977	2016
Aaghir Yadav	Global President Brand Activation	1982	2016
Charles Bartholomew	Chief Financial Officer	1949	2016

**CHRIS REED**

*Born 1970, Global President of LinkedIn Marketing since 2016.*

**Other current assignments:**

CEO and founder of Black Marketing Pte Ltd, Black Marketing Hong Kong Ltd, Black Marketing ANZ, Black Marketing North America, All Black Ventures Pte Ltd and Black Marketing Philippines.

**Previous assignments (last five years):**

Regional Director of Partnership Marketing and General Manager of One9Ninety.

**Shareholding in the company:**

Chris owns 2,687,000 shares in the Company, corresponding to 18.65 per cent of the shares in the Company.

**LAURENT VERRIER**

*Born 1965, Global President of Social Media Marketing since 2016.*

**Other current assignments:**

CEO, founder and board member of One9Ninety Pte Ltd, founder and board member of Maxenco Pte Ltd and board member of Magma Studios Pte Ltd.

**Previous assignments (last five years):**

None.

**Shareholding in the company:**

Laurent owns 816,269 shares in the Company, corresponding to 5.66 per cent of the shares in the Company.

**ROSS ANDERSON**

*Born 1977, Global President of Creative Content since 2016.*

**Other current assignments:**

CEO and founder of Nice and Polite Ltd.

**Previous assignments (last five years):**

Creative Director at Universal Music Group

**Shareholding in the company:**

Ross owns 462,000 shares in the Company, corresponding to 3.21 per cent of the shares in the Company.

**AAGHIR YADAV**

*Born 1982, Global President Brand Activation since 2016.*

**Other current assignments:**

Board member of Creative Insurgence Pte Ltd, Vanilla Luxury Pte Ltd and Biggest Baddest Parties Pte Ltd.

**Previous assignments (last five years):**

None.

**Shareholding in the company:**

Aaghir owns 1,600,000 shares in the Company, corresponding to 11.10 per cent of the shares in the Company.

**CHARLES BARTHOLOMEW**

*Born 1949, Chief Financial Officer since 2016.*

See under Board of Directors above.



## OTHER INFORMATION ABOUT THE BOARD OF DIRECTORS AND NON-EXECUTIVE ADVISORS

All members of the Board of Directors are available at the Company's main office at Henry Wood House, 2 Riding House Street, Oxford Circus, London, W1W 7FA, United Kingdom.

There are no family ties between any of the members of the Board of Directors or non-executive advisors.<sup>2</sup>

In addition to the aforesaid, there are no conflicts of interests or potential conflicts of interest between the obligations of members of the Board of Directors and non-executive advisors of the Company and their private interests and/or other undertakings. In accordance with the Company's Articles of Association the Board of Directors may, provided the quorum and voting requirements are satisfied authorise any matter that would otherwise involve a director breaching his duty under the statutes to avoid conflicts of interest.

None of the members of the Board of Directors or the non-executive advisors have, during the last five years, (i) been sentenced for fraud-related offences, (ii) except as set out above, and represented a company which has been declared bankrupt or filed for liquidation, (iii) been subject of sanctions or accused by authorities or bodies

acting for particular professional groups under public law or (iv) been subject to injunctions against carrying on business.

None of the directors of the board or non-executive advisors has an agreement with the Company that eligible them to benefits after their current board appointment, except what is described in this Investor Memorandum.

Post-listing, The Marketing Group is planning to hire a non-executive chairman with strong pedigree in publicly listed companies offering marketing services. Moreover, the Company will also seek a non-executive independent shareholder representative.

### Auditor

The Taylor Cocks Partnership Limited has been the Company's auditor since 12 January 2016. The Taylor Cocks Partnership Limited's office address is 3 Acorn Business Centre, Northarbour Road, Cosham Portsmouth, PO6 3TH, registered in England under 3229532. The Taylor Cocks Partnership Limited has been the Company's auditors throughout the entire period covered by the historic financial information presented in this Investor Memorandum.

<sup>2</sup> Family ties include spouses or cohabitants, underage children, or other related parties with whom the member of the Board of Directors or non-executive advisors shares a household.

# SHARE CAPITAL AND OWNERSHIP STRUCTURE

## GENERAL INFORMATION

Pursuant to the Company's Articles of Association, the Company's issued share capital comprises ordinary shares of EUR 0.005 each in the capital of the Company. As of the date of this Investor Memorandum, the Company has no outstanding physical shares. The shares are denominated in EUR and all shares in the Company have been issued pursuant to English law and have been fully paid. All shares are freely transferable. The shares are not subject to any offer made due to mandatory offers, redemption rights or redemption obligations.

## CERTAIN RIGHTS ASSOCIATED WITH THE SHARES

### *Voting rights*

On a show of hands every member (shareholder) who is present in person at a general meeting shall have one vote. Each ordinary share entitles the holder to one (1) vote.

### *Dividend policy*

The Company does not have a specific dividend policy in place. The Company's Articles of Association allow the Company to by ordinary resolution declare dividends. No dividend may be declared or paid unless it is in accordance with members' respective rights.

## HISTORIC SHARE CAPITAL

The table below summarises the historic developments in The Marketing Group's share capital and the changes in the number of shares.

Date	Event	Change in number of shares	Total number of shares	Change in share capital (EUR)	Share capital (EUR)	Quota value (EUR)
2015-05-22	Incorporation	2	2	2.00	2.00	1.000
2016-04-07	Issue of shares	14,409,998	14,410,000	72,048.00	72,050.00	0.005

## AUTHORISATION

At the general meeting of the Company held on 24 February 2016 it was resolved to authorise the Board of Directors to:

- generally and unconditionally exercise all the powers of the Company to allot shares in the Company up to an aggregate nominal amount of MEUR 1 during the period of five years from the date of the meeting; and
- in respect of equity securities, the allotment of shares for cash other than on a pre-emptive basis up to an aggregate nominal value of MEUR 0.025 until the next annual meeting of the Company or, on 31 December 2016 whichever is earlier.

## OWNERSHIP STRUCTURE

The table below sets out the current ownership structure of The Marketing Group, as well as the expected ownership of shares in The Marketing Group following the completion of the Offering with the assumption that the Offering is fully subscribed.

Shareholder	Shareholding as of the date of this Investor Memorandum		Shareholding following the Offering	
	Number	%	Number	%
Chris Reed	2,687,000	18.65	2,687,000	18.65
Unity Group of Companies Pte Ltd	2,247,373	15.60	997,373	6.92
Aaghir Yadav	1,600,000	11.10	1,600,000	11.10
Laurent Verrier	816,269	5.66	816,269	5.66
Iona Global Ltd	682,000	4.73	682,000	4.73
Callum Laing	625,000	4.34	625,000	4.34
Five5Five Pte Ltd	550,000	3.82	550,000	3.82
Jeremy Harbour	545,000	3.78	545,000	3.78
Zoe Brittain	480,000	3.33	480,000	3.33
Ross Anderson	462,000	3.21	462,000	3.21
Other shareholders	3,715,358	25.78	3,715,358	25.78
New shareholders	0	0.00	1,250,000	8.67
<b>Total</b>	<b>14,410,000</b>	<b>100.00</b>	<b>14,410,000</b>	<b>100.00</b>

### *Convertible bonds*

The Company has no outstanding convertible securities.

### *Lock-up arrangements*

Agreements has been entered between Mangold and the largest owners of The Marketing Group implying that they will undertake, with certain exceptions, not to sell shares in the Company for a certain period after trading on Nasdaq First North has commenced (the "Lock-up period") without prior written consent from Mangold. In total 9,631,202 shares, corresponding to 66.84 per cent of the total shares in the Company, are comprised of the lock-up agreements. The Lock-up period for everyone affected by the arrangement will be 360 days. At the end of the Lock-up period, the ordinary shares may be offered for sale, which may affect the market price of these shares. The Lock-up agreements comprise 100 per cent of each locked up shareholder's shares owned as of the date of this Investor Memorandum.

### *Cornerstone Investors*

The Cornerstone Investors have undertaken to together acquire shares in the Offering corresponding to MEUR 0.5, which, based on full subscription in the Offering, corresponds to 500,000 shares and 40 per cent of the number of shares in the Offering, and approximately 3 per cent of the total number of shares and votes in the Company after the Offering.

### *Shareholder agreements*

To the Board of Director's knowledge there are no shareholder agreements or similar agreements that could lead to a shift in the control of the Company.

### *Share-based incentive programs*

The Marketing Group currently has no active share-based incentive programs.

### *Initial public offering of the Company's shares on Nasdaq First North*

The Board of Directors of The Marketing Group has applied for a listing of The Marketing Group on Nasdaq First North. 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 with the ticker TMG. All ordinary shares in The Marketing Group will be subject to trading.

Shareholders and other interested parties can subscribe on the Company's website [www.marketinggroupplc.com](http://www.marketinggroupplc.com) and receive press-releases and financial reports without cost.

## **NASDAQ FIRST NORTH**

First North is Nasdaq's Nordic growth market, designed for small and growing companies. As opposed to companies listed on a regulated market such as the official list of the Stockholm Stock Exchange, companies listed on Nasdaq First North are subject to less extensive rules. This is intended to allow smaller companies to enjoy the benefits of being a publically traded company without excess administrative burden. Unlike on regulated markets, companies listed on First North must engage a "Certified Adviser" whose role is to ensure that companies comply with applicable requirements and rules. Mangold is the Company's Certified Adviser.

First North is a multilateral trading facility and does not have the legal status of a regulated market. "Multilateral trading facility" and "regulated market" are classifications for trading venues of securities set out in the Directive

2004/39/EC on Markets in Financial Instruments. Multilateral trading facilities and the holders and issuers of securities listed on a multilateral trading facility are subject to less stringent rules than regulated markets and the holders and issuers of securities listed on a regulated market. Issuers on First North are subject to the rules of First North but not the requirements for admission to trading on a regulated market.

First North Stockholm use INET Nordic trading system, same as the Nasdaq Nordic main markets for trading in shares. The trading periods comprise a pre-trading session, a continuous trading session and a post-trading session. The trading periods and the respective trading hours are set out in a time table in force from time to time, as made available by the Nasdaq Nordic stock exchanges at [www.nasdaqomxnordic.com/tradinghours](http://www.nasdaqomxnordic.com/tradinghours).

The companies listed on First North are classified according to the international Industry Classification Benchmark (ICB). The industry classification facilitates international benchmarking of the companies by providing clearly defined and larger peer groups.

First North Stockholm is a marketplace maintained by the Stockholm Stock Exchange. Pursuant to the rules of First North, the Nasdaq Member Rules regarding Stockholm Stock Exchange, chapters 2-5, and appendices, as amended from time to time, shall apply to trading on First North Stockholm. Additional rules specific to First North Stockholm are set out in Supplement B to the rules of First North.

Shares traded on First North Stockholm are issued and registered in the book-entry securities system maintained by Euroclear Sweden. Shares listed on First North Stockholm are settled in Euroclear Sweden's settlement system.

# CORPORATE GOVERNANCE

The Board of Directors is ultimately responsible for the general governance of the Company, its proper administration and management and the general supervision of its affairs. The Company's Articles of Association provide that the Board of Directors is to be elected by the shareholders and shall be composed of not less than two but shall not be subject to any maximum number.

## CORPORATE GOVERNANCE RULES AND CODES

Following the Listing on Nasdaq First North The Marketing Group will neither be required to comply with the corporate governance rules of the Swedish Companies Act (Sw. Aktiebolagslagen 2005:551) nor the Swedish Corporate Governance Code. This is due to the fact that Nasdaq First North is not considered to be a regulated market. The UK Corporate Governance Code is also not applicable to the Company as it applies to companies with a premium listing on the London Stock Exchange's Main Market. However, it is the Company's ambition to conduct a review of its internal corporate governance procedures in order to apply to the codes in the future.

Nasdaq First North is an alternative market, operated by the different exchanges within Nasdaq. It does not have the legal status as an EU-regulated market. Companies at Nasdaq First North are subject to the rules of Nasdaq First North and not the legal requirements for admission to trading on a regulated market.

## THE COMPANIES ACT 2006

The corporate law applicable to the Company is the CA 2006, applicable UK company law, in addition to the Company's Articles of Association. The amount of share capital stated in the Investor Memorandum of association of a public company must not be less than the authorised minimum, i.e. GBP 50,000. Public companies must not do business or exercise borrowing powers unless they have been issued with a trading certificate. The Marketing Group was awarded a trading certificate on 7 March 2016.

## GENERAL MEETINGS

Subject to the provisions of the CA 2006, annual general meetings shall be held at such time and place as the directors may determine. The Company must hold an annual general meeting within six months of its financial year end. Member resolutions are passed by the appropriate majority at a properly convened meeting. All general meetings, other than annual general meetings, shall be called general meetings.

The directors may call general meetings. If there are not sufficient directors to call a general meeting, any director or the members requisitioning the meeting may call a general meeting.

General meetings shall be called by notice of, in the case of an annual general meeting, at least twenty-one clear days; and in the case of any other general meeting at least fourteen clear days. Clear day means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect. Consent to shorter notice for general meetings is required from a majority in number of shareholders entitled to attend and vote at the meeting.

The notice shall specify:

- (if applicable) that the meeting is an annual general meeting; the place, the day and the time of the meeting; the general nature of the business to be dealt with at the meeting; the terms of any resolution to be proposed at the meeting;
- if the meeting is convened to consider a special resolution, the intention to propose the resolution as such; and
- with reasonable prominence, that a member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him and that a proxy need not also be a member.

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice will not invalidate the proceedings at that meeting.

A person is able to exercise the right to speak, inter alia, at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting. The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other. Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have rights to speak and vote at that meeting, they are able to exercise them.

No business shall be transacted at any meeting unless a quorum is present at the time when such business is transacted. Two qualifying persons entitled to vote upon the business to be transacted shall be a quorum.

## BOARD OF DIRECTORS

The Marketing Group currently has nine directors including the executive chairman who are appointed for the period until the end of the next annual shareholders' meeting.

Directors of UK companies have a fiduciary duty owed to the company. In summary, directors owe a duty to:

- act within the powers conferred by the company's constitution,
- promote the success of the company,
- exercise independent judgment, reasonable care, skill and diligence, avoid conflicts of interest, not accept benefits from third parties and declare interests in (proposed) transactions or arrangements.

These duties are codified in the CA 2006 and are (save for the duty to exercise reasonable care, skill and diligence) enforceable as a fiduciary duty. The remedies for breach of a fiduciary duty include injunctive relief, setting aside the transaction restitution and account of profits and damages.

The remedy for a breach of the duty to exercise reasonable care, skill and diligence is damages for losses suffered.

Directors also owe a duty of confidentiality to the Company, and the terms on which they are engaged by the Company, especially in the case of executive directors, may impose or give rise to further duties and obligations.

## SHARES

The Articles of Association of the Company provide for shares to be held in uncertificated form with a central securities depository (CSD). The uncertificated shares are registered in book-entry form in the CSD register operated by CREST.

For every company with shares admitted to CREST there must be a register of members maintained by the company (the "issuer register of members") and a register of members maintained by Euroclear Sweden (the "operator register of members").

The register of shares is maintained with CREST. CREST is affiliated with Euroclear Sweden, the Swedish CSD. Euroclear Sweden maintains the operator register of members/shareholders listed on Nasdaq in Stockholm. Uncertificated shares are registered in book-entry form on securities account in Euroclear and are mirrored in CREST. Title to uncertificated shares is ensured exclusively through registration with Euroclear Sweden. No share certificates are issued with respect to the uncertificated shares. The Company shall remain responsible for maintaining the register and shall keep a copy of all entries relating to the registered shareholders and registered holders of debentures held by the CSD at its registered office. The issuer register of members maintained by the Company does however not constitute the actual register of the uncertificated shares. The register for these purposes is the operator register of members. The Company will use its record of uncertificated shares for its own day-to-day purposes.

### Transfer of shares

The Marketing Group's shares are freely transferable. Article 47 in The Marketing Group's Articles of Association stipulates that a transfer of shares shall be made in accordance with and subject to applicable rules of the relevant CSD (i.e. Euroclear Sweden rules for issuers and agents) and, when such shares are listed on a stock exchange or market place, their rules and regulations.

### Changes in share capital

There is currently only one class of shares of the Company, but if at any time there are different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the written consent of the holders of three-fourths in nominal value of the issued shares of that class, or with sanctions of a special resolution passed at a separate meeting of the holders of the shares of that class. Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares shall be deemed to be varied or abrogated by the reduction of the capital paid up on such shares or by the allotment of further shares ranking in priority for the payment of a dividend or in respect of capital or howsoever or which confer on the holders voting rights more favorable than those conferred by such first mentioned shares.

The rights attached to any share or class of shares shall not, unless otherwise expressly provided by its terms of issue, be deemed to be varied by the creation of issue of further shares ranking *pari passu* in all respects with or subsequent to those already issued with it or the purchase or redemption by the Company of its own shares in accordance with the provisions of CA 2006 and the Articles of Association.

### Minority rights

A shareholder owning just one share has some basic powers including inspecting the Company's statutory books, attend and be heard at shareholders' meetings' receive a copy of the annual accounts. A shareholder of five per cent of the Company's shares gives a shareholder the right to require a resolution to be proposed at shareholders' meetings and require a general meeting to be held. A shareholder owning ten per cent of the Company's shares has the ability to block the holding of a general meeting of shareholders' on short notice. A shareholder owning 15 per cent of the Company's shares has the right to object to variation of the class rights of the shares he holds.

To pass a special resolution, 75 per cent of shareholders must vote in favour of it. Therefore, a special resolution cannot be passed if a minority shareholder owning 25 per cent plus one voting shares in the Company opposes the resolution. Special resolutions are required to be passed (amongst other things) to implement the following:

- alteration of Articles of Association;
- offer to issue shares in the company to existing shareholders other than on a pro-rata basis by disapplying pre-emption rights;
- reduction of share capital (also subject to confirmation by the court);
- to give, revoke, renew or vary the authority for the company to purchase shares in itself;
- change of name;
- re-registration of private company to public company;
- to redeem or purchase own shares out of capital; and
- voluntary liquidation.

### Election and removal of board members

The Company may by ordinary resolution appoint any person who is willing to act to be a director. The Board of Directors may also appoint a person who is willing to act to be a director. Any director appointed by the Board of Directors shall hold office only until the next following annual general meeting. If not reappointed at such meeting, he shall vacate office at the conclusion of the meeting.

At every annual general meeting one-third of the directors who are subject to retirement by rotation shall retire from office. If there are fewer than three directors who are subject to retirement by rotation then all shall retire. If the vacated office is not filled then the retiring director shall if willing to act remain and be reappointed.

The Company may by an ordinary resolution remove any director before the expiration of his period of office and may by ordinary resolution appoint another person who is willing to act to be a director in his place.

### Dividend

According to article 154 in The Marketing Group's Articles of Association it may by ordinary resolution declare dividends in accordance with the respective rights of the shareholders, but no dividend shall exceed the amount recommended by the Board of Directors. The Board of Directors may pay interim and fixed dividends if it appears to the Board of Directors that they are justified by reference to the financial position of the Company.

### Rights of redemption

Shares may be issued which are to be redeemed or which are liable to be redeemed only at the option of the Company on such terms and in such way as may be provided for by the Articles of Association. Any such redemption may be on such terms as the Company decides by ordinary resolution.

### Rights attached to newly issued shares

The Marketing Group's Articles of Association stipulates that shares in The Marketing Group may be issued with such preferred, deferred or other special rights or such restrictions, as The Marketing Group may from time to time determine by ordinary resolution of the shareholders (or, in the absence of such determination, as the Board of Directors may determine).

### Remuneration to the Board of Directors

Article 107 in the Articles of Association stipulates that the ordinary remuneration of the Board of Directors is to be determined by the Board of Directors or by a committee authorised by the Board of Directors provided that the aggregate of such fees shall not exceed any amount decided by ordinary resolution by the Company's shareholders.

### Remuneration to the non-executive advisors

The remuneration to the non-executive advisors of The Marketing Group during year 2015 is presented in the table below.

Jeremy Harbour	€ 0*
Chris Reed	SGD 140,000
Laurent Verrier	SGD 119,900
Ross Anderson	GBP 11,195
Aaghir Yadav	SGD 103,000
Charles Bartholomew	€ 0*

### Distribution of assets and liquidation

A company may be liquidated voluntarily or by a court decision. Any member of the Board of Directors, creditor or shareholder may apply to a court that The Marketing Group shall be liquidated up in accordance with the conditions laid down in the Companies Act. When liquidating The Marketing Group, its assets and property shall be distributed in order to cover its liabilities and any excess shall be distributed to the shareholders pro rata.

### Annual accounts

Companies Act requires that the accounts of a public company be sent to members at least 21 days before the relevant accounts meeting. If copies are sent out later than is required they shall, despite that, be deemed to have been duly sent if it is so agreed by all the members entitled to attend and vote at the relevant accounts meeting.

As mentioned above, The Marketing Group must submit its accounts to its members in a general meeting within six months of the end of its accounting period.

### Pre-emption rights

Private companies can exclude statutory pre-emption entirely and indefinitely but for public companies, only a more limited disapplication is permitted. The Company can by special resolution authorise directors pursuant to section 570 of the Companies Act to allot equity securities, as if section 561(1) of the Companies Act (right of pre-emption) did not apply to any such allotment provided such power is limited to the allotment in value and time.

\* Jeremy Harbour and Charles Bartholomew can potentially receive remuneration at a later stage if they meet certain goals.



# LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

## GENERAL INFORMATION

The Marketing Group was incorporated on 22 May 2015 in England and Wales as The Marketing Group plc with company number 09604581. The Company's registered office is at Henry Wood House, 2 Riding House Street, Oxford Circus, London, W1W 7FA, United Kingdom. The Marketing Group conducts its business under the laws of England and Wales. Prior to the Offering, the shares have never been listed and there is currently no public market for the shares.

## MATERIAL AGREEMENTS

Save as disclosed below, there are no agreements (other than the contracts entered into in the ordinary course of business) to which the Company or any member of the Company is a party which

- (a) Are material to the Company and which have been entered into since the incorporation of the Company on 22 May 2015; or
- (b) Contain obligations or entitlements which are material to the Company as of the date of this Investor Memorandum.

### *Acquisition Agreements:*

The summary of the Company's acquisition agreements are transcribed below:

**One9Ninety Pte Ltd**, Singapore ("One9Ninety") – a social media marketing company, founded by Laurent Verrier. On 5 March 2016, the Company entered into an agreement wherein it acquired the entire shareholding of One9Ninety by swapping the Company shares for shares held by the shareholders of One9Ninety. The consideration for the same was 80,626 shares of One9Ninety for 1,350,000 shares of the Company in a cashless transaction as detailed below.

## Shares of One9Ninety

1.	Adrienne Perez Laroue	623
2.	Denis Gautier	5,626
3.	Henrik Thorstensson	11,911
4.	Laurent Verrier	48,750
5.	Cassin Frederic Fedia Pierre	13,716
	<b>Total shareholding:</b> 80,626 ordinary shares	<b>Total:</b> 80,626 shares

## Shares of the Company

<b>The Marketing Group plc</b>	1,350,000 shares distributed in the following manner: <ol style="list-style-type: none"> <li>1. Adrienne Perez Laroue: 10,431 shares</li> <li>2. Denis Gautier: 94,202</li> <li>3. Henrik Thorstensson: 199,438</li> <li>4. Laurent Verrier: 816,269</li> <li>5. Cassin Frederic Fedia Pierre: 229,660</li> </ol>
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**Black Marketing Pte Ltd**, Singapore ("Black Marketing") – a premium LinkedIn marketing solutions agency. On 10 January 2016, the Company entered into an agreement wherein it acquired the entire shareholding of Black Marketing by swapping the Company shares for shares held by the shareholders of Black Marketing. The consideration for the same was 10,001 shares of Black Marketing for 2,900,000 shares of the Company in a cashless transaction as detailed below.

## Shares of Black Marketing

Chris Reed	10,001 ordinary shares comprising 100 per cent
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## Shares of the Company

The Marketing Group plc	2,900,000 shares
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**Creative Insurgence Pte Ltd**, Singapore (“Creative Insurgence”) – a 360° creative agency and brand activation company. On 14 March 2016, the Company entered into an agreement wherein it acquired the entire shareholding of Creative Insurgence by swapping the Company shares for shares held by the shareholders of Creative Insurgence. The consideration for the same was 2,000 shares of Creative Insurgence for 1,600,000 shares of the Company in a cashless transaction as detailed below.

## Shares of Creative Insurgence

1.	Aaghir Yadav	1,000
2.	Chan Mei Ling, Joy	1,000
	<b>Total shareholding:</b> 2,000 ordinary shares	<b>Total:</b> 2,000 ordinary shares

## Shares of the Company

The Marketing Group plc	1,600,000 shares
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**INSURANCE**

The management of the Company believes that no insurance coverage is necessary at a holding company level for risks related to the operations of the Company and consistent with industry practice. However, as indicated under the section Risk Factors, some risks are such that they may not be fully insurable or that policy limits may be exceeded in case of significant damages.

**Nice & Polite Ltd**, England and Wales (“Nice & Polite”) – a creative content agency. On 10 March 2016, the Company entered into an agreement wherein it acquired the entire shareholding of Nice & Polite by swapping the Company shares for shares held by the shareholders of Nice & Polite. The consideration for the same was 1,000 shares of Nice & Polite for 1,298,000 shares of the Company in a cashless transaction as detailed below.

## Shares of Nice &amp; Polite

1.	Ross Anderson	510
2.	Five5Five Pte Ltd	245
3.	Conrad Swailes for the Swailes Family	245
	<b>Total shareholding:</b> 1,000 ordinary shares	<b>Total:</b> 1,000 ordinary shares

## Shares of the Company

<b>The Marketing Group plc</b>	1,298,000 shares distributed in the following manner:  1. Ross Anderson: 662,000  2. Five5Five Pte Ltd: 318,000  3. Conrad Swailes for the Swailes Family: 318,000
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The Subsidiaries shall be able to nominate a person, possibly the CEO to sit on the non-executive advisors of The Marketing Group.

**DISPUTES AND LEGAL PROCEEDINGS**

The Company is not nor has been a party to any disputes, legal proceedings or regulatory actions which may have a material effect on the Company’s business, financial position or result, nor does it anticipate any such disputes.

## RELATED PARTY TRANSACTIONS

There are no direct closely-related party agreements/transactions. However, the promoters/directors of the subsidiaries are on the Board and Executive Management of the Company. In particular, Conrad Swailes of Nice & Polite is on the Board of the Company. Chris Reed of Black Marketing, Laurent Verrier of One9Ninety and Aaghir Yadav of Creative Insurgence are part of the non-executive advisors of the Company.

## LICENCES

The Company is not part of any licence agreement.

## SUBSCRIPTION UNDERTAKINGS

The Cornerstone Investors have agreed with Mangold, the Selling Shareholder and The Marketing Group to together acquire shares in the Offering corresponding to MEUR 0.5. Based on full subscription in the Offering, the Offering is secured to 40 per cent. The Cornerstone Investors will not receive any compensation for the respective undertakings. Mangold, the Selling Shareholder and the Board of Directors deem the Cornerstone Investors' credit worthiness sound and that they meet their respective undertakings. The Cornerstone Investors' undertakings are however not secured through a bank guarantee, blocked funds or pledge of collateral or similar arrangement. The Cornerstone Investor is Mangold on investors account.

## INTELLECTUAL PROPERTY RIGHTS

The Marketing Group owns copyright and common law rights over the following brand names:

- The Marketing Group
- Nice & Polite
- Black Marketing
- Creative Insurgence
- One9Ninety

The Company also owns copyright and common law rights of the logos for the above brands as well as the following domain names; marketinggroupplc.com, niceandpolite.com, blackmarketing.com, insurgence.sg and one9ninety.com.

The Marketing Group's wholly owned subsidiary Black Marketing purchased the methodology around which the company was built. It was purchased in the form of a documented process for managing clients and getting results for them using social media platforms. Black Marketing completed the purchase for SGD 500,000. This was done in order to ensure there would be clear title and no risk of any future disputes that could devalue the business in future. This transaction is reflected in the balance sheet of Black Marketing.

## DOCUMENTS ON DISPLAY

Copies of the following documents will be on display throughout the Offering period during ordinary office hours on weekdays at The Marketing Group's offices at Henry Wood House, 2 Riding House Street, London, United Kingdom:

- The Marketing Group's Articles of Association;
- the audited annual reports, including auditors' reports for 2015, for The Marketing Group plc and Black Marketing Pte Ltd;
- the unaudited annual reports, including auditors' letter of comfort for 2015, for Creative Insurgence Pte Ltd, One9Ninety Pte Ltd and Nice and Polite Ltd;
- The Marketing Group's consolidated financial statements for the first quarter of 2016.

The documents will also be available electronically on The Marketing Group's website, [www.marketinggroupplc.com](http://www.marketinggroupplc.com).

## GROUP STRUCTURE

The Marketing Group is the parent and holding company of four wholly owned subsidiaries.

Directly owned subsidiaries	Registration no	Domiciled	Share of capital/votes
One9Ninety Pte Ltd	200822690W	Singapore	100
Black Marketing Pte Ltd	201400187K	Singapore	100
Creative Insurgence Pte	200816937H	Singapore	100
Nice and Polite Ltd	7761295	England and Wales	100

# CONSTITUTIONAL DOCUMENTS AND LEGAL COMPARISON

The following is a brief summary of the rights of shareholders of The Marketing Group based upon the corporate law applicable to The Marketing Group, the Companies Act 2006 ("CA 2006"). It also sets out certain differences between the English and Swedish corporate law. It should be noted that The Marketing Group is not required to comply with the corporate governance rules of the Swedish Companies Act (Sw. Aktiebolagslagen 2005:551). The summary is of a general nature only. It does not claim to give an exhaustive account of the aforementioned corporate documents, nor of all potentially relevant differences between English and Swedish law or corporate governance requirements.

In addition to the CA 2006, the Company is governed by its Articles of Association. As per above, the Swedish Companies Act does not apply to it, nor will the Swedish Corporate Governance Code apply after the listing due to the fact that Nasdaq First North is not considered to be a regulated market. It is also not required to comply with the UK Corporate Governance Code.

## Objective

England	Sweden
<p>Matters that were contained in the memorandum of association under the Companies Act 1985 such as the objects of a company are no longer in the memorandum but can be dealt with in the Company's articles of association. Since the CA 2006 came into force the memorandum of association is essentially a "snapshot" of part of the Company's constitution at the point of registration and will have no continuing relevance. It cannot be amended or updated during the life of the Company.</p>	<p>Under the Swedish Companies Act, the objectives of a company must be set out in the articles of association. These objectives set out the limits which the company can operate within.</p>

## Shares

England	Sweden
<p>CA 2006 regulates the variation of classes of shares. The process for varying class rights depend upon the provisions of the articles of association. The Marketing Group's articles provide for ordinary shares with full voting, dividend and capital distribution rights.</p>	<p>Under the Swedish Companies Act, a company may issue different classes of shares provided that such classes of shares are specified in a company's articles of association and that the maximum numbers of shares in the articles of association are not exceeded.</p>

## Rights, benefits and limitations attached to the shares

### Voting rights

England	Sweden
<p>The holders of all classes of shares have equal rights of voting unless restrictions are specifically imposed. But a provision in the articles that holders of any class of shares shall not have votes or shall only have limited</p>	<p>A shareholder may vote for all the shares owned or represented by him, unless otherwise prescribed in the</p>

rights of voting in respect of those shares is good; and resolutions passed by those having votes may be binding even when they affect the interests of all classes. It has been suggested from time to time that voteless shares should be made illegal, but this suggestion has never been implemented, and even listed shares can be voteless provided that they are clearly designated as such.

The Marketing Group's articles provide that each resolution put to the vote at a general meeting will be decided by a show of hands unless a poll is duly demanded. The articles will set out who is entitled to call a poll. On a show of hands, the default position under the CA 2006 is that every shareholder present in person has one vote, regardless of the number of ordinary shares held. On a poll, each shareholder has one vote for each share held. The default position can be varied by the company's articles.

If the number of votes for and against a proposal are equal, the chairman or other director chairing the meeting shall not be entitled to a casting vote.

company's articles of association. However, under the Swedish Companies Act, different classes of shares may have different voting rights. No share may however have a voting right which exceeds the voting rights of any other share by more than ten times.

## Shareholder meetings

### England

A public company must hold an annual general meeting ("AGM") within the period of six months beginning with the day following its accounting reference date.

CA 2006 does not refer to "extraordinary general meetings" and therefore a general meeting which is not an AGM should be referred to as a general meeting.

The Board of Directors have the power to call general meetings.

Shareholders representing at least five per cent of such of the paid capital of the company as carries the right of voting at general meetings of the company, have the ability to request that the directors call a general meeting. The directors must call the meeting requested by the shareholders within 21 days from the date on which they became subject to the requirement and the meeting must be held not more than 28 days after the date of the notice convening the meeting.

The CA 2006 provisions giving members the ability to require the directors to call a general meeting override anything to the contrary in a company's articles of association. However, if the articles permit a meeting to be called by a smaller number of members than required by CA 2006 this will be effective.

The Marketing Group's articles allow members to call general meeting if the company has fewer than two directors. Two or more members may call a general meeting for the purpose of appointing one or more directors.

### Sweden

Under the Swedish Companies Act, within six months of the expiry of each financial year, the shareholders shall hold an ordinary general meeting at which the Board of Directors shall present the annual report and auditor's report and general meetings shall be held in the locality in which the company maintains its registered office. The articles of association may, however, prescribe that the meeting shall or may be held at another designated locality in Sweden.

Extraordinary general meetings may, according to the Swedish Companies Act, be convened at any time by the Board of Directors. In addition, in accordance with the Swedish Companies Act, the company's auditor or shareholders holding ten per cent or more of all the shares in the Company may request the Board of Directors to convene an extraordinary general meeting.

## Notices

<p><b>England</b></p> <p>In order for a meeting to be validly convened, a notice of meeting must be issued to all shareholders who are entitled to receive notice.</p> <p>The notice will invariably form part of a circular to shareholders.</p> <p>For AGMs, companies have the option of either including the notice in the annual report and accounts or sending a circular to shareholders as described above.</p> <p>A notice of a general meeting must include:</p> <ul style="list-style-type: none"> <li>• the time, date and place of the meeting;</li> <li>• the general nature of the business to be dealt with at the meeting (can be varied by the company's articles); and</li> <li>• the full text of each special resolution and the intention to propose such a resolution as a special resolution. Failure to do so will invalidate the resolution. Although there is no legal requirement to set out the full text of ordinary resolutions, it is considered best practice to do so.</li> </ul> <p>General meetings shall be called by notice of in the case of an annual general meeting, at least twenty-one clear days; and in the case of any other general meeting at least fourteen clear days</p> <p>Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors, alternate directors and the auditors for the time being of the Company.</p>	<p><b>Sweden</b></p> <p>Under the Swedish Companies Act, a general meeting must be preceded by a notice, which e.g. shall contain a draft agenda for the meeting where the matters to be considered shall be stated. For amendment of the articles of association please see Amendments to the Articles below.</p> <p>Public limited liability companies must always notify shareholders of a general meeting by advertisement in the Swedish Official Gazette and on the company's website. Subject to its articles of association, the company must either publish the full notice in a daily newspaper with nationwide circulation or a short form message containing information regarding the notice and where it can be found.</p>
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## Record date

<p><b>England</b></p> <p>The record date is the date by which a shareholder must officially own shares in order to be entitled to a dividend.</p> <p>The Company or the directors may by resolution specify any date (record date) as the date at the close of business on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular and such record date may be on or at any time before the date on which the same is paid, made, given or served or (in the case of any dividend, distribution, interest, allotment or issue) at any time after the same is recommended, resolved, declared or announced but without prejudice to the rights inter se in respect of the same of transferors and transferees of any such shares or other securities. No change in the register of such holders after the record date shall invalidate the same.</p>	<p><b>Sweden</b></p> <p>Under the Swedish Companies Act, in order for a shareholder in a central securities depository company to participate in a general meeting, the holder must have his shares registered in his own name in the shareholders' register kept by the central securities depository on the fifth business day prior to the date of the general meeting. Shareholders must also, if provided for in the articles of association, give notice of their intention to attend the general meeting</p>
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## Voting at general meetings

<p><b>England</b></p> <p>The right of a shareholder to vote at general meetings of a company is usually governed by the company's articles of association. CA 2006 also sets out the law in relation to different voting procedures and appointment of proxies and corporate representatives at a general meeting.</p> <p>Shareholders may cast their votes at general meetings either on a show of hands or on a poll. Unless a poll is demanded, a resolution proposed at a general meeting will be decided on a show of hands.</p> <p>On a poll every member, who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote for every share of which he is the holder. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.</p> <p>In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll was demanded shall not be entitled to a second or casting vote in addition to any other vote that he may have.</p>	<p><b>Sweden</b></p> <p>Under the Swedish Companies Act, shareholders as of the record date are entitled to vote at a general meeting (in person or by appointing a proxy holder). Shareholders who have their shares registered through a nominee and wish to exercise their voting rights at a general meeting must request to be temporarily registered as a shareholder in the record at the record date.</p>
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## Issue of shares

<p><b>England</b></p> <p>The number of shares The Marketing Group can allot and issue will be unlimited unless its articles of association contain a restriction to the contrary. The directors may allot, grant options over, offer, sell or otherwise deal with or dispose of them or rights to subscribe for or convert any security into shares to such persons at such times and generally on such terms and conditions as the directors may decide, provided that no share shall be issued at a discount.</p> <p>In general, a public company must not allot shares following an offer to subscribe for shares unless either:</p> <ul style="list-style-type: none"> <li>• all the shares offered are subscribed for in full; or</li> <li>• the offer is made on the basis that the shares subscribed for will be allotted in any event, or if other conditions specified in the offer are met.</li> </ul>	<p><b>Sweden</b></p> <p>Under the Swedish Companies Act, resolutions on new share issues are passed by a general meeting. A general meeting may also the Board of Directors to issue new shares, provided that the authorisation is within the limits of the number of shares and share capital set out in the company's articles of association. Furthermore, the Board of Directors may resolve to issue new shares without such authorisation, provided that the resolution is conditioned upon the shareholders' approval.</p>
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## Pre-emptive rights

<p><b>England</b></p> <p>In the context of an allotment and issue of shares, pre-emption is a right of first refusal in favour of existing shareholders in relation to the new shares. In essence, a pre-emption right is an anti-dilution mechanism that allows shareholders to preserve their percentage shareholding in a company.</p>	<p><b>Sweden</b></p> <p>Under the Swedish Companies Act, shareholders of any class of shares have a pre-emption right (Sw. företrädesrätt) to subscribe for shares issued of any class in proportion to their shareholdings. Pre-emption right to subscribe does not apply in</p>
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equity securities unless various exceptions set out in CA 2006 applies or all the shareholders have agreed to waive their pre-emption rights in relation to the proposed allotment.

respect of shares issued for consideration other than cash or where the pre-emption right is governed in another manner as a consequence of terms and conditions issued in conjunction with an earlier issue of warrants or convertible instruments. The pre-emption right to subscribe for new shares may be set aside by a resolution passed by two thirds of the votes cast and shares represented at the general meeting resolving upon the issue.

## Dividends

### England

The articles usually contain express provisions regarding the declaration and payment of dividends (although common law gives companies an implied power to distribute profits to shareholders). Articles can include a restriction or prohibition on paying dividends. Alternatively, the articles (or a shareholders' agreement) could contain a mechanism requiring the payment of dividends where legally permissible.

As per The Marketing Group's articles the Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors and no dividend shall be paid in respect of any shares held by the Company as treasury shares.

No dividend may be declared or paid unless it is in accordance with members' respective rights.

Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.

If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

The directors may, before recommending any dividend (whether preferential or otherwise), carry to reserve out of the profits of the Company such sums as it thinks fit.

### Sweden

Under the Swedish Companies Act, only a general meeting may authorise the payment of dividends. A resolution to pay dividends may, with some exceptions, not exceed the amount recommended by the Board of Directors. Dividends may only be made if, after the payment of the dividend, there is sufficient coverage for the company's restricted equity and the payment of dividends appears to be justified taking into consideration the demands with respect to the size of shareholders' equity which are imposed by the nature, scope and risks associated with the operations, the company's need to strengthen its balance sheet and liquidity as well as the company's financial position in general. Each person who is listed as a shareholder in the share register as of the record date for the dividend will be entitled to receive the dividend distribution. However, if there are different classes of shares in the company, the articles of association may provide for a difference in the right to dividends.



## Redemption provisions

<p><b>England</b></p> <p>A company having a share capital may issue shares which are to be redeemed or which may be redeemed at the option of the company or the shareholder. Shares of this type are generally referred to as redeemable shares.</p> <p>A public company must be authorised by its articles to issue redeemable shares and The Marketing Group's present articles set out that shares may be issued which are to be redeemed. The Company can by ordinary resolution determine the terms of such redemption.</p>	<p><b>Sweden</b></p> <p>As a general rule, the general meeting resolves upon a redemption of the company's shares as well as authorise the Board of Directors to adopt such a resolution. A qualified majority of the votes cast representing shares at the meeting is required. The general meeting can delegate to the board to determine certain terms of such redemption.</p>
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## Amendments to the Articles

<p><b>England</b></p> <p>Under the CA 2006, a company may, by special resolution, amend its articles of association.</p> <p>A special resolution requires a majority of at least 75 per cent of members who, being entitled to vote.</p>	<p><b>Sweden</b></p> <p>Alterations of the articles of association shall be resolved upon by the general meeting. An amendment of the articles of association generally requires approval by a majority of not less than two-thirds of both the votes cast and the shares represented at the general meeting. A resolution regarding alterations of the articles of association shall be reported immediately for registration in the Swedish Companies Register and may not, other than in certain exceptional cases, be effected prior to registration.</p>
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## Directors and the Board of Directors

### Number of directors

<p><b>England</b></p> <p>English company law does not distinguish between a management board and a supervisory board. All directors form one board and each has the same obligations and accountability to the company regardless of whether they are executive (typically employees) or non-executive.</p> <p>The Marketing Group being a public company must have at least two directors of which at least one must be an individual. The number of directors shall not be subject to any maximum.</p>	<p><b>Sweden</b></p> <p>Under the Swedish Companies Act, a public company shall have a Board of Directors consisting of at least three Board members. More than half of the directors shall be resident within the European Economic Area (unless otherwise approved by the Swedish Companies Registration Office). The actual number of board members shall be determined by a general meeting, within the limits set out in the company's articles of association.</p>
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## Nomination, appointment and removal of directors

### England

The procedure for appointing directors is governed by the Company's articles of association.

Any person who is willing to act as a director and is permitted by law to do so may be appointed to be a director by ordinary resolution or by a decision of the shareholders.

At the first annual general meeting all the directors must retire from office.

At every subsequent annual general meeting any directors who have been appointed by the directors since the last annual general meeting or who were not appointed at one of the preceding two annual general meetings must retire from office.

The Companies Act provides that shareholders may remove a director of any company before the expiration of his term of office by ordinary resolution if a particular procedure is followed. The director is able to make representations in writing to the company which must be circulated to shareholders with the notice of meeting if received in time. The director also has the right to attend and speak at the meeting on his proposed removal.

### Sweden

The Board of Directors shall be appointed by a general meeting. The articles of association may prescribe that one or more members of the Board of Directors shall be appointed in another manner. The right to appoint members of the Board of Directors may not be delegated to the Board of Directors or to a member of the Board of Directors. However, in a public limited liability company, more than one-half of the members of the Board of Directors shall be appointed by the general meeting.

The members of the Board of Directors are usually elected for the period until the end of the next annual general meeting, unless a longer term of up to four financial years is set out in the Articles of Association. It is possible for the Board member to be re-elected for a new term of office.

## Powers of the Board of Directors and delegation of the Board of Directors

### England

A director has a duty to act within the powers conferred by the Company's articles of association and to exercise powers for proper purposes. A director could not cause the Company to undertake activities outside that permitted by the Company's constitutional documents, or exercise his powers for any "improper purpose".

To define a director's powers first thing is whether a person "deals with" a Company if he is a party to any transaction or other act to which the Company is a party. Such a person is not bound to enquire as to any limitation on the powers of the directors to bind the Company or authorise others to do so. "Good faith" is presumed unless the contrary is proved, and a person will not be regarded as acting in bad faith simply because the person knows that the transaction is beyond the powers of the directors under the Company's constitution. The references to limitations on the directors' powers under the Company's constitution include limitations deriving from a resolution of the Company.

It follows that third parties may rely on the above when dealing with a committee of the board.

Subject to the articles and to the applicable provisions for the time being of the CA 2006, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

If the number of directors is less than the minimum for the time being prescribed by the articles, the remaining director shall act only for the purposes of appointing an additional director or directors to make up such minimum or of convening a general meeting of the Company for the purpose of making.

### Sweden

Under the Swedish Companies Act, the Board of Directors is responsible for the organisation of the company and the management of the company's affairs. The Board of Directors shall regularly assess the company's financial position and, where the company is the parent company in a group, the group's financial position. The Board of Directors shall ensure that the company's organisation is structured in such a manner that accounting, management of funds, and the company's finances in general are monitored in a satisfactory manner.

The Board of Directors in a public company shall appoint a CEO, whom may not also be the chairman of the Board of Directors, and may also appoint one or more Deputy Managing Directors. The CEO is responsible for the day-to-day management of the company in accordance with law, which normally includes appointing the other senior executives.

The CEO shall be resident within the European Economic Area (unless otherwise approved by the Swedish Companies Registration Office).

The general rule about decision-making by directors is that any decision of the directors must be taken as a majority decision at a meeting or as a directors' written resolution.

Each director participating in a directors' meeting has one vote. Any director may propose a directors' written resolution by giving notice in writing of the proposed resolution to each of the other directors.

The Company secretary must propose a directors' written resolution if a director so requests by giving notice in writing of the proposed resolution to each of the other directors.

Notice of a proposed directors' written resolution must indicate: the proposed resolution; and the time by which it is proposed that the directors should adopt it.

Any director may call a directors' meeting by giving notice of the meeting to each of the directors (including alternate directors), whether or not he is absent from the United Kingdom, or by authorising the Company secretary to give such notice.

In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other. If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

The quorum for the transaction of business at a meeting of directors may be fixed from time to time by a decision of the directors, but it must never be less than two directors, and unless otherwise fixed it is two.

If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting does not have a casting vote.

The directors must ensure that the Company keeps a record, in writing, for at least ten years from the date of the decision recorded, of every decision taken by the directors.

The Companies Act makes no distinction between executive and nonexecutive directors in its codification of directors' duties. In practice, the concept of a non-executive director is well understood.

According to the United Kingdom Corporate Governance Code which is not applicable to The Marketing Group, the roles of chairman and chief executive should not be held by the same person however any public company combining the roles of chairman and CEO can do so if the shareholders are persuaded that the right checks and balances are in place.

# TAX CONSIDERATIONS IN SWEDEN

The following is a summary of certain Swedish tax consequences that may arise from the listing of The Marketing Group shares. It is based on Swedish tax legislation currently in effect and is intended only as general information for shareholders who are resident in Sweden for tax purposes, unless otherwise stated. The summary does not deal comprehensively with all tax consequences that may occur in this context. For instance, it does not cover the specific rules that may apply to shares acquired by virtue of shares in a "closely held company" (Sw. fåmansföretag). Also, it does not deal with the rules that in certain cases apply in the corporate sector with respect to tax exempt capital gains and dividends on "shares held for business purposes" (Sw. näringsbetingade andelar) or "share based securities" (Sw. aktiebaserade delägarätter).

Nor does this description deal with the rules that apply where shares are held by a partnership or held as current assets in a business operation, capital insurance, life policy or in a securities investment account (Sw. investeringssparkonto).<sup>3</sup>

Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies and mutual funds. Each investor is recommended to consult a tax advisor for information with respect to the special tax consequences that may arise for the individual investor as a consequence of this Investor Memorandum, including the applicability and effect of foreign tax legislation, provisions in tax treaties for the avoidance of double taxation and other rules which may be applicable.

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<sup>3</sup> Capital gains are not taxed and capital losses are not deductible within an insurance policy. Instead you pay a capital gains tax, according to a standardised method (this method multiplies the capital by a yearly interest rate set by the state on an annual basis. This method of taxation is described in 58 kap 2 § Inkomstskattelagen 1999:1229 (Swedish income tax act 1999:1229) and 1-9 §§ lag (1990:661) om avkastningsskatt på pensionsmedel.

<sup>4</sup> Investments in capital are normally taxed at 30 per cent flat rate. However for unlisted limited liabilities companies (AB) this rate is reduced according to different levels (5/6 and/or 2/3). For active investments in owner managed companies (fåmansföretag) the tax rate for dividend distributions and capital gains is 20 per cent up to a certain threshold and then dividend as well as capital gains is taxed at individual level as income from employment (without social security). On investments in Swedish limited liability companies, Swedish economic institutions and foreign companies equivalent of a Swedish limited liability companies that are not listed on an official stock exchange the flat tax rate imposed is 25 per cent (5/6). 42 kap. 15 a § Inkomstskattelagen 1999:1229 (Swedish income tax act 1999:1229).

## General information

### Individuals

Capital income, such as dividends and capital gains on the sale of listed shares and other listed securities, is taxable as income from capital at a flat rate of 30 per cent. For unlisted shares only 5/6 of the profit is taxed which leads to an effective rate of 25 per cent.<sup>4</sup>

The capital gain or capital loss is calculated as the difference between the sales proceeds, after deduction of sales expenses, and the acquisition cost for tax purposes. The acquisition cost is determined according to the "average method". This means that the acquisition cost for all shares of the same type and series are added together and determined collectively, with respect to changes to the holding. For listed shares the acquisition cost may, as an alternative, be determined as 20 per cent of the net sale revenue under the "standard rule" (Sw. schablonmetoden).

Capital losses on listed shares and listed securities (except for listed shares in mutual funds containing only Swedish receivables) are fully deductible against taxable capital gains on such assets or on non-listed shares in Swedish limited liability companies and foreign legal entities. 70 per cent of any excess loss is deductible against other types of capital income.

Moreover, only five sixths (5/6) of capital losses on non-listed shares in Swedish limited liability companies and foreign legal entities are deductible. If capital losses pertain to both listed and non-listed shares, the losses pertaining to the listed shares are deductible prior to the losses on the non-listed shares. Part of capital losses on listed shares or non-listed shares in Swedish limited liability companies and foreign legal entities not deducted in accordance with the above, may be deducted by, 70 per cent against other capital income or five sixths (5/6) of 70 per cent respectively. Capital losses on listed shares in mutual funds containing only Swedish receivables are fully deductible in the income from capital category.

If a deficit arises in the income from capital category, a reduction of the tax on income from employment and from business operations, as well as the real estate tax and the municipal real estate fee, is allowed. The tax reduction amounts to 30 per cent of any deficit not exceeding SEK 100,000 and 21 per cent of any deficit in excess of SEK 100,000. Deficits that arise in the income from income of capital investments may not be carried forward to a later fiscal year for private individuals.

### Legal entities

Limited liability companies and other legal entities are normally taxed on all income, including capital gains and dividends, as income from business operations at a flat rate of 22 per cent. For the calculation of capital gains and losses, see "Individuals". A capital loss on shares incurred by a corporate shareholder may be offset only against taxable gains on shares or other securities. Such

capital losses may, however, under certain circumstances, also be deducted against capital gains on such securities within the same group of companies, provided the requirements for group contributions (tax consolidation) are met. Capital losses on shares or other securities, which have not been deducted from capital gains within a certain year, may be carried forward and be offset against such capital gains in future years without any limitation in time.

### Taxation of dividends

For individuals, dividends on listed shares are normally taxed at a rate of 30 per cent. For individuals resident in Sweden, preliminary tax of 30 per cent is withheld on the dividend if the payment is effected by any central securities depository or similar institution. This preliminary tax is normally withheld by Euroclear Sweden or, for nominee-registered shares, by the nominee. For unlisted shares only 5/6 of the dividends is taxed which leads to an effective rate of 25 per cent.

For legal entities liable to tax in Sweden on dividend income from capital investments gained from listed, shares are taxed at a flat rate of 22 per cent when received.

Special rules apply for certain types of legal entities and if the shares held meet the criteria for participation exception relief dividend might not be subject to tax, these regulations have however not been covered in this Investor Memorandum.

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