

Ebiquity Plc

("Ebiquity" or the "Company")

Acquisition of minority interest in Italian subsidiary

Ebiquity plc, a leading independent marketing and media consultancy, today announces it has entered into a conditional share purchase agreement to acquire the remaining minority stake in its Italian subsidiary Ebiquity Italy Media Advisor S.r.l ("Ebiquity Italy"), with the total consideration expected to be €3.4 million.

Ebiquity Italy provides predominantly media benchmarking services and has developed innovative services for measuring social media and sports sponsorship performance. Ebiquity acquired a majority stake in the subsidiary in 2010 with an option to acquire the remaining stake at the appropriate time. Ebiquity Italy has since achieved steady and consistent growth with forecast revenue of €2.6m and operating profit of €1.1m for 2019. Approximately 70% of its revenue is derived from Italy-based clients and 30% from global network clients. It has gross assets of €2.0m as at 31 December 2019.

As part of the transaction, Ebiquity will acquire the remaining 49% currently held by the subsidiary's founders, CEO Arcangelo DiNieri (36.75%) and the General Manager Maria Gabrielli (12.25%) (the "Founders"), who will retire from executive roles in the business but will remain advisers to the business to ensure a smooth transition. Giulia Biesuz, previously Media Client Service Director, will succeed Arcangelo becoming Managing Director of the subsidiary following the transaction.

The acquisition will be marginally earnings accretive and funded through a combination of the Company's available cash resources and a draw-down from its loan facility.

The acquisition constitutes a related party transaction under AIM Rule 13 as the Founders are directors of Ebiquity Italy, a subsidiary of the Company, and the purchase consideration exceeds 5% of the Company's current market value.

The directors of the Company, having consulted with Numis Securities Limited in its capacity as the Company's nominated adviser for the purposes of the AIM Rules, consider the terms of the transaction to be fair and reasonable insofar as the Company's shareholders are concerned.

The transaction is expected to complete in April 2020.

Alan Newman, Ebiquity's interim CEO said:

"Arcangelo and Maria have developed an excellent business and strong market position in Italy. We look forward to building further on their success under Ebiquity's full ownership."

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Enquiries:

Ebiquity plc

Alan Newman (Interim CEO)
Mark Sanford (Company Secretary)

020 7650 9600

Instinctif Partners

Matthew Smallwood
Guy Scarborough

020 7457 2020

Numis Securities Limited

Nick Westlake, Hugo Rubinstein (NOMAD)
Matt Lewis

020 7260 1000