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18 November 2019

THE PEBBLE GROUP LIMITED

to be registered as a public company and renamed

THE PEBBLE GROUP PLC

("The Pebble Group", the "Company" or the "Group")

INTENTION TO FLOAT

AND

PROPOSED ADMISSION TO TRADING ON AIM

The Pebble Group, a provider of products, services and technology to the global promotional products industry, announces its intention to seek admission of its shares to trading on the AIM market of the London Stock Exchange, which is expected to take place in early December 2019.

The Group comprises two differentiated businesses, focused on specific areas of the promotional products market: Brand Addition and Facilisgroup.

Brand Addition is a leading provider of promotional products to global brands. Brand Addition utilises its global network to source and deliver complex and creative promotional product solutions to support the marketing efforts of its multi-national clients in a wide range of sectors.

Facilisgroup provides subscription-based SaaS services to SME promotional product distributors in the United States and Canada. Facilisgroup's suite of services includes business intelligence software, buying power and community events.

The Group's vision is to become the partner of choice for both global brands that use promotional products as a key stakeholder engagement tool, and SME distributors that seek to professionalise and grow their promotional products businesses in North America.

Key strengths

The Directors believe that The Pebble Group has the following attributes, which distinguish it and provide a strong base for future success:

- ***Attractive market opportunity:***

The Group operates in the growing promotional products market, a market that the Directors estimate to be worth over \$50bn globally on an annual basis and to account for approximately 10 per cent. of marketing expenditure worldwide. Promotional products are seen by the Directors as the most effective marketing tools and are an increasingly important part of a company's marketing mix.

- ***Differentiated positioning within the promotional products space:***

With its two businesses, Brand Addition and Facilisgroup, each focusing on specific areas of the promotional products industry, The Pebble Group has differentiated positions in multiple segments of the market. Brand Addition is one of the relatively few businesses to service and supply global brands across multiple geographies, whereas, Facilisgroup supports SME promotional product distributors ("Partners") in North America, with annual revenues predominantly ranging from \$1m to \$10m, in a more fragmented segment of the market.

- ***Brand Addition has strong relationships with a diversified blue-chip client base:***

Brand Addition has established relationships with a diversified range of global brands, most of which are long-term clients. Through its creative service offering and ability to manage the complex needs of global clients, Brand Addition has continued to increase the number of brands with whom it contracts. Brand Addition's relationships with its clients are built on its consistent ability to deliver high quality, ethically sourced products and related services in a timely manner.

- ***Facilisgroup has long-term deep-rooted relationships with its Partners:***

Facilisgroup has developed deep-rooted, long term relationships with its Partners through the provision of cost-effective SaaS-based business intelligence, buying power and community events, which enable Partners to grow their businesses and improve operational efficiency. Partners benefit from the @ease software, which rapidly becomes an integral part of their business, whilst the rebates received from suppliers typically more than cover the @ease subscription costs.

- **Combination of loyal client base and recurring revenues drives high quality earnings:**

The blue-chip client base that underpins the strong repeat revenues of Brand Addition (98.6 per cent. of sales in the year ended 31 December 2018 came from brands who had been clients in earlier years) is augmented by the recurring revenues and strong visibility of earnings generated by the Group's subscription-based offering, Facilisgroup.

- **Strong track record of historical financial growth:**

The Group has delivered a consistent record of growth with a revenue CAGR of 16 per cent. from £74.1 million in the year ended 31 December 2016 to £99.8 million in the year ended 31 December 2018, based on the aggregated performance of the businesses now comprising Brand Addition and Facilisgroup on a pro-forma basis in the year in which Facilisgroup was acquired. Pebble has grown Adjusted EBITDA from £7.6 million in the year ended 31 December 2016 to £13.7 million in the year ended 31 December 2018, a CAGR of 34.3 per cent. on the same basis.

- **Proven, experienced, high-calibre management team:**

The Group has a high-quality senior management team with substantial industry experience, led by Christopher Lee, the Group's Chief Executive Officer and Claire Thomson, Chief Financial Officer. Together, the management team has helped drive the growth of The Pebble Group since its inception and has a proven track record of delivering results.

The Directors believe that the key strengths described above will enable the Group to continue delivering profitable growth.

Christopher Lee, Chief Executive Officer of The Pebble Group, said:

"We are very pleased to announce our intention to float today. Our plans to bring The Pebble Group to AIM are founded on a track record of strong organic and acquisitive growth in our Brand Addition business and the diversification and scaling of the group through the acquisition of Facilisgroup in 2018.

"These achievements have been delivered by dedicated and talented people across our group under the support of private equity ownership. A successful IPO and admission to AIM would facilitate the exit of our private equity shareholders, Elysian Capital, and the repayment of debt facilities, moving our Group on to the next key stage of its journey. With a new capital structure and no debt, The Pebble Group will be best placed to invest more readily in expansion, deliver on its growth strategy and enable its senior managers and employees to participate in the Group's success."

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About The Pebble Group plc - <https://thepebblegroup.com/>

The Pebble Group is a provider of products, services and technology to the global promotional products industry, comprising two differentiated businesses, focused on specific areas of the promotional products market:

Brand Addition - <http://www.brandaddition.com/>

The Group's promotional product merchandise business, Brand Addition, is a leading provider of promotional products to global brands. Brand Addition utilises its global network to source and deliver complex and creative promotional product solutions to support the marketing efforts of its multi-national clients, who operate in sectors which include health & beauty, fast moving consumer goods, transport, technology, banking & finance and charity. Brand Addition's clients primarily comprise major global brands.

Facilisgroup - <https://www.facilisgroup.com/>

The Group's SaaS business, Facilisgroup, provides subscription-based services to SME promotional product distributors in the United States and Canada. Facilisgroup's suite of services includes business intelligence software, buying power and community events. Through its @ease proprietary software, Facilisgroup offers a SaaS technology platform that enables its network of Partners to improve order management, CRM and sales analysis and reporting. Facilisgroup also provides its Partners with access on favourable terms to a selected group of preferred suppliers, by consolidating the purchasing power of its Partners. This attracts rebates from suppliers, who in turn benefit from access to a network of selected distributors.

The Promotional Products Market

The promotional products market is large and growing. The Group's management estimates this market to have been worth over \$50 billion in 2018 (which would represent approximately 10 per cent. of global marketing expenditure), with North America and Europe representing \$24.7 billion and \$22.6 billion respectively.

The Pebble Group's head office is located in Manchester, UK and the Group has operations in the United Kingdom, the Republic of Ireland, Germany, Turkey, China, Canada and the United States.

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