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FOR IMMEDIATE RELEASE

13 September 2022

M&C Saatchi plc
("M&C Saatchi" or the "Company")
Continued Rejection of ADV Offer

Further to the announcement by AdvancedAdvt Limited ("ADV") on 8 September 2022 of the acceleration of the timetable in respect of the ADV Offer, the M&C Saatchi Directors continue to unanimously recommend that M&C Saatchi Shareholders reject the ADV Offer by taking no action in relation to the ADV Offer.

Strong Standalone Future for M&C Saatchi

- Financial performance: record 2021, strong 2022 interim results (the "2022 Interim Results") with 52.4% increase in H1 Headline Profit Before Tax ("PBT")
- Proven resilience
- High growth in high margin specialisms
- Strong cashflow and net cash position
- Clear plan

ADV Offer: Low Price, High Risk

- Original ADV Offer is derisory and now even lower at current implied values. ADV share price is currently 29.1% below its share price immediately prior to its suspension on 7 January 2022
- All eighteen members of the M&C Saatchi Executive Committee ("ExCom") remain unanimously opposed to the ADV Offer, despite further meetings with ADV
- High risk of damaging culture, triggering a talent exodus, revenue loss and value destruction
- Disregard for US regulatory (CFIUS) filings risks significant revenue loss

As at 8 September 2022, support for the ADV Offer from existing M&C Saatchi Shareholders was only 0.3% of the issued share capital, excluding the existing ADV and Vin Murria shareholdings.

The M&C Saatchi Board urges M&C Saatchi Shareholders to take no action in respect of the ADV Offer.

Strong Standalone Future for M&C Saatchi

Strong 2022 Interim Results, with momentum off a record 2021, with LFL H1 2022 net revenue growth of 9.6% versus H1 2021.

Delivered a 52.4% increase in Headline PBT in H1 2022 versus H1 2021 in the face of deteriorating macro-economic conditions. Outlook on track to deliver forecast Headline PBT forecast in the region of £31m for FY 2022 and £41m for FY 2023^[1].

H1 2022 results demonstrate that the accelerated delivery of M&C Saatchi's strategy has continued to drive growth as well as enabled simplification, digitisation and connection of the global network.

M&C Saatchi's diversity of capabilities, strength of counter-cyclical businesses, geographic breadth, and unique proposition of 'Meaningful Change' provides resilience, helping to insulate the business from adverse macro-

economic conditions.

Long serving and loyal management team in place and supportive of strategy.

A significantly strengthened balance sheet with £39.7million of net cash as at 30 June 2022 provides increased flexibility around capital allocation, settlement of put option liabilities as they fall due and continuation of investment in the delivery of M&C Saatchi's accelerated strategy.

Clear plan for M&C Saatchi's independence through its strategy to: reduce cost base, enhance agency margin, further simplify, invest in high margin businesses, drive through new platforms, and roll out data and analytics capabilities. It remains the Board's intention to reinstate dividends from 2022.

The M&C Saatchi Board recognises that a standalone future, in the absence of any sell-down by Vin Murria or ADV, will continue to have Vin Murria as a 12.5% shareholder and ADV as a 9.8% shareholder in M&C Saatchi, however, neither of their holdings individually or in aggregate represent a controlling stake. The M&C Saatchi Board will continue to engage with and act in the best interests of all its shareholders, including Vin Murria and ADV.

Low Price

The M&C Saatchi Directors continue to believe the ADV Offer is derisory. They believe that the ADV Offer fails to reflect the growth and opportunities in front of M&C Saatchi and does not offer a fair value for the business. The ADV all-share and cash and share offers value each M&C Saatchi Share at 175.8p and 182.0p respectively, representing a premia of only 10.6% and 14.5% to the Closing Price of a M&C Saatchi share on 12 September 2022, and exchanges a plan which is already delivering for one that has increased risk, uncertainty and dilution for M&C Saatchi Shareholders. The implied value of 175.8p and 182.0p respectively is lower than the 200.0p share price at which ADV acquired its stake in M&C Saatchi on 5 January 2022, as well as the implied value of the ADV offer of 207.5p per M&C Saatchi Share as per ADV's hostile offer on 17 May 2022 which was considered derisory by the M&C Saatchi Directors.

No Support from ExCom

Despite further meetings between the M&C Saatchi ExCom members and ADV, all eighteen members of ExCom remain unanimously opposed to the ADV Offer.

The ExCom members fully endorse the M&C Saatchi Group strategy, which has delivered record results, and remain committed to an independent future.

High Risk

As noted in ADV's announcement on 16 August 2022, ADV has not submitted a CFIUS filing in the US which could result in business risk for M&C Saatchi given the US Government's sensitivity to foreign ownership of government contractors and its broad discretion to terminate relevant contracts without cause. CFIUS have authority to review the ADV Offer post-closing, which could lead to further uncertainty and risk to the M&C Saatchi Group's business going forward. The M&C Saatchi Directors note that Next 15 have recognised this issue and made the filing and the M&C Saatchi Directors consider ADV's position to be reckless and not in the best interests of M&C Saatchi Shareholders.

The ADV strategy, as laid out in its prospectus published on 14 June 2022, demonstrates a clear lack of knowledge and understanding of the M&C Saatchi business and its clients and is highly reliant on an M&A strategy that has no guarantee of success.

Response to ADV Acceleration Statement

The M&C Saatchi Directors make the following points regarding ADV's statement in respect of the acceleration of the ADV Offer:

- M&C Saatchi continues to deliver on its strategy including digital, data and technology in a challenging market, as disclosed in the 2022 interim results.
- M&C Saatchi has issued seven consecutive positive trading updates in the last 12 months and remains confident in its profit forecasts guidance for FY 2022 and FY 2023. ADV bought its stake in M&C Saatchi for 200p per M&C Saatchi share on 5 January 2022, which it presumably felt was an attractive price. The M&C Saatchi share price has declined by 20.5% since then (as per its Closing Price of 159.0p on 12 September 2022), which the M&C Saatchi Directors consider to have been driven by a combination of macro-economic factors, in line with general de-rating across the sector, as well as the impact of the takeover bids. Indeed, ADV's own share price is currently 29.1% below its share price immediately prior to its suspension on 7 January 2022.
- ADV's proposed board of directors comprises traditional advertising network representatives and

former partners of Vin Murria with knowledge of SaaS and technology sales, and little or no clear experience of M&C Saatchi's business or sector.

- M&C Saatchi adheres to the strongest corporate governance. In light of Vin Murria's previous position as deputy Chair of M&C Saatchi and failure to notify the M&C Saatchi Board in advance of ADV's purchase of M&C Saatchi shares, the M&C Saatchi Directors find ADV's criticism of M&C Saatchi's corporate governance standards ironic.
- The put option arrangements for certain M&C Saatchi businesses are clear, controlled and will be cash funded and have helped incentivise and drive the valuation creation for a number of M&C Saatchi's subsidiaries.
- To the extent exceptional transaction costs have been incurred in relation to the ADV and Next 15 Offers, they are at market rates and incurred solely because of the hostile actions of ADV and their lengthy takeover process.

Timetable

If the ADV Offer lapses following the final date for acceptance of it on 30 September 2022, the M&C Saatchi Meetings in respect of the Next 15 Offer will still take place in Q4 2022 once Next 15 receives its regulatory approvals in respect of the CFIUS filing, unless the Company decides to reconvene the M&C Saatchi Meetings for an earlier date. As noted in the Company's announcement on 19 August 2022, the Company will update M&C Saatchi Shareholders on the expected timing of the reconvened M&C Saatchi Meetings.

The M&C Saatchi Directors recognise the strength of the strategic, commercial and cultural fit of the Next 15 Offer, however they are unable to recommend it to M&C Saatchi Shareholders due to the current Next 15 share price.

Capitalised terms used but not defined in this announcement shall have the meanings given to them in the defence document related to the ADV Offer posted to M&C Saatchi Shareholders on 28 June 2022 (the "**M&C Saatchi Defence Document**"), a copy of which is available on M&C Saatchi's website at [Defence Document vF.pdf \(mcsaatchiplc.com\)](https://www.mcsaatchiplc.com/Defence_Document_vF.pdf).

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This announcement has been prepared in accordance with English law and the City Code of Takeovers and Mergers (the "**Code**"), and information disclosed may not be the same as that which would have been prepared in accordance with laws outside of the United Kingdom. The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement

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Disclaimer

Numis Securities Limited ("Numis"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for M&C Saatchi as joint financial adviser and joint broker and for Next 15 as nominated adviser and broker and no one else in connection with the ADV Offer and the Next 15 Offer and will not be responsible to anyone other than M&C Saatchi or Next 15 for providing the protections afforded to clients of Numis nor for providing advice in relation to the ADV Offer and the Next 15 Offer or any other matters referred to in this Announcement. Neither Numis nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Numis in connection with this Announcement, any statement contained herein or otherwise.

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Relevant securities in issue

In accordance with Rule 2.9 of the Code, M&C Saatchi confirms that as at the date of this announcement, it has 122,743,435 ordinary shares of 1 pence each in issue and admitted to trading on AIM, the market operated by the London Stock Exchange (and holds 485,970 shares in treasury). The total number of voting rights in the Company is therefore 122,257,465. The International Securities Identification Number ("ISIN") for M&C Saatchi's ordinary shares is GB00B01F7T14.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on a website

In accordance with Rule 26.1 of the Code, a copy of this announcement will be made available on the Company's website (www.mcsaatchiplc.com) no later than 12 noon (London time) on 14 September 2022. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

[1] Headline PBT is forecast in the region of £31 million and £41 million for the years ending 31 December 2022 and 31 December 2023 as per the Company's announcement on 29 April 2022 and subsequent confirmations of those profit forecasts in the announcement on 20 May 2022, the scheme document published on 17 June 2022 and the defence document published on 28 June 2022.