



Cooperation Agreement

Next Fifteen Communications Group plc

and

M&C Saatchi plc

20 May 2022

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THIS AGREEMENT is made on 20 May 2022

BETWEEN:

- (1) **NEXT FIFTEEN COMMUNICATIONS GROUP PLC**, a public limited company registered in England and Wales with registered number 01579589, whose registered office is at 75 Bermondsey Street, London, United Kingdom, SE1 3XF ("**Next Fifteen**"); and
- (2) **M&C SAATCHI PLC**, a public limited company registered in England and Wales with registered number 05114893, whose registered office is at 36 Golden Square, London, England, W1F 9EE ("**M&C Saatchi**"),

(each a "**party**" and together the "**parties**").

RECITALS

- (A) Next Fifteen proposes to announce immediately following execution of this Agreement a firm intention to make a recommended offer for the entire issued and to be issued share capital of M&C Saatchi pursuant to Rule 2.7 of the Code.
- (B) The Acquisition will be made on the terms and subject to the conditions set out in the Announcement and this Agreement.
- (C) The parties intend that the Acquisition will be implemented by way of the Scheme, although Next Fifteen reserves the right, subject to the terms of this Agreement and the Announcement, to elect to implement the Acquisition by way of the Takeover Offer.
- (D) The parties have agreed to take certain steps to effect the completion of the Acquisition (whether by way of the Scheme or the Takeover Offer) and are entering into this Agreement to set out their respective rights, obligations and commitments in relation to such matters.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement (including the recitals but excluding schedule 1), the terms and expressions listed in this clause 1.1 shall have the meanings set out in this clause 1.1. Terms and expressions used in schedule 1 shall have the meanings given to them in schedule 1.

"Acceptance Condition" means the acceptance condition to any Takeover Offer;

"Acquisition" means the direct or indirect acquisition of the entire issued and to be issued ordinary share capital of M&C Saatchi by Next Fifteen (other than any M&C Saatchi Shares already held by any member of the Next Fifteen Group), to be effected by way of: (i) the Scheme; or (ii) the Takeover Offer (as the case may be);

"Acquisition Document" means (i) if the Scheme is (or is to be) implemented, the Scheme Document; or (ii) if the Takeover Offer is (or is to be) implemented, the Offer Document;

"AIM" means the market of that name operated by London Stock Exchange plc;

"AIM Rules" means the rules and guidance for companies whose shares are admitted to trading on AIM, entitled "AIM Rules for Companies" as published by London Stock Exchange plc from time to time;

"Announcement" means the announcement detailing the terms and conditions of the Acquisition to be made pursuant to Rule 2.7 of the Code, in substantially the form set out in schedule 1;

"Business Day" means a day other than a Saturday or Sunday or public holiday in England and Wales on which banks in London are open for general commercial business;

"Clearances" means all consents, licences, authorisations, clearances, permissions, waivers and/or approvals that are necessary in order to satisfy any of the Regulatory Conditions and also the expiry of all waiting periods, the expiry of which will, under the laws, regulations or practices applied by any Relevant Authority in connection with the implementation of the Acquisition, satisfy any of the Regulatory Conditions, and any references to Clearances having been **"satisfied"** shall be construed as meaning that the foregoing have been obtained or, in the case of waiting periods, expired in accordance with the relevant Regulatory Condition;

"Code" means the City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel;

"Companies Act" means the Companies Act 2006;

"Conditions" means:

- (a) for so long as the Acquisition is being implemented by means of the Scheme, the conditions to the implementation of the Acquisition (including the Scheme) as set out in Appendix 1 to the Announcement and to be set out in the Acquisition Document; and
- (b) for so long as the Acquisition is being implemented by means of a Takeover Offer, the conditions referred to in (a) above, as amended by replacing the Scheme Conditions with the Acceptance Condition,

and **"Condition"** shall be construed accordingly;

"Confidentiality Agreement" means the confidentiality agreement between M&C Saatchi and Next Fifteen in relation to the Acquisition dated 24 March 2022 and the clean team confidentiality agreement dated 20 April 2022 entered into between M&C Saatchi and Next Fifteen;

"Costs" means losses, damages, costs (including reasonable legal costs) and expenses (including taxation), in each case of any nature whatsoever;

"Court" means the High Court of Justice in England and Wales;

"Court Hearing" means the hearing by the Court of the petition to sanction the Scheme and to grant the Court Order;

"Court Meeting" means the meeting(s) of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of approving the Scheme, including any adjournment thereof;

"Court Order" means the order(s) of the Court sanctioning the Scheme under section 899 of the Companies Act;

"Disclosing Party" has the meaning given to it in clause 3.6;

"Effective Date" means:

- (a) the date on which the Scheme becomes effective in accordance with its terms; or
- (b) if the Takeover Offer is implemented, the date that the Takeover Offer becomes or is declared unconditional in all respects,

and **"Effective"** shall be construed accordingly;

"Group" means, in relation to Next Fifteen, the Next Fifteen Group, and in relation to M&C Saatchi, the M&C Saatchi Group;

"Joint Defence Agreement" means the joint defence agreement dated 20 April 2022 entered into between Next Fifteen, Ashurst LLP, M&C Saatchi and CMS Cameron McKenna Nabarro Olswang LLP;

"Law" means any applicable statute, law, rule, regulation, ordinance, code, order, judgment, injunction, writ, decree, directive, policy, guideline, interpretation or rule of common law issued, administered or enforced by any Relevant Authority, or any judicial or administrative interpretation thereof;

"Longstop Date" has the meaning given to it in the Announcement;

"M&C Saatchi Independent Board" means the board of M&C Saatchi consisting of the M&C Saatchi Independent Directors;

"M&C Saatchi Independent Board Recommendation" means a unanimous and unqualified recommendation from the M&C Saatchi Independent Directors to M&C Saatchi Shareholders in respect of the Acquisition: (a) to vote in favour of the Resolutions; or (b) if Next Fifteen elects to proceed with the Takeover Offer in accordance with the terms of this Agreement, to accept the Takeover Offer;

"M&C Saatchi Independent Directors" means the directors of M&C Saatchi as at the date of this Agreement or, where the context so requires, the directors of M&C Saatchi from time to time, other than Vin Murria;

"M&C Saatchi General Meeting" means the general meeting of M&C Saatchi to be convened in connection with the Scheme, notice of which will be set out in the Scheme Document, including any adjournment thereof;

"M&C Saatchi Group" means M&C Saatchi and its subsidiaries and subsidiary undertakings from time to time and **"member of the M&C Saatchi Group"** shall be construed accordingly;

"M&C Saatchi Share Plan" means the M&C Saatchi Long Term Incentive Plan;

"M&C Saatchi Shareholders" means the holders of M&C Saatchi Shares from time to time;

"M&C Saatchi Shares" means the ordinary shares of £0.01 each in the capital of M&C Saatchi;

"New Next Fifteen Shares" means the new Next Fifteen Shares to be issued pursuant to the Scheme;

"Next Fifteen Circular" means the circular addressed to Next Fifteen Shareholders for the purpose of convening the Next Fifteen General Meeting at which the Next Fifteen Resolution will be proposed;

"Next Fifteen Directors" means the directors of Next Fifteen as at the date of this Agreement or, where the context so requires, the directors of Next Fifteen from time to time;

"Next Fifteen General Meeting" means the general meeting of Next Fifteen Shareholders to be convened to consider and, if thought fit, approve the Next Fifteen Resolution, including any adjournment thereof;

"Next Fifteen Group" means Next Fifteen and its subsidiaries and subsidiary undertakings and **"member of the Next Fifteen Group"** shall be construed accordingly;

"Next Fifteen Resolution" means the ordinary shareholder resolution of Next Fifteen to grant authority to the Next Fifteen Directors to allot the New Next Fifteen Shares;

"Next Fifteen Responsible Persons" means the Next Fifteen Directors and any other person required by the Panel pursuant to Rule 19.2 of the Code to take responsibility for the information in the Acquisition Document for which an offeror is required to accept responsibility under the Code;

"Next Fifteen Shareholders" means the holders of Next Fifteen Shares;

"Next Fifteen Shares" means the ordinary shares of 2.5 pence each in the capital of Next Fifteen;

"Offer Document" means, if Next Fifteen elects to implement the Acquisition by way of the Takeover Offer in accordance with the terms of this Agreement, the document to be sent to (among others) M&C Saatchi Shareholders setting out, among other things, the full terms and conditions of the Takeover Offer;

"Panel" means the UK Panel on Takeovers and Mergers;

"Prospectus" means any prospectus (or other equivalent document) which is required to be published by Next Fifteen pursuant to the Acquisition including any supplementary prospectus;

"Regulatory Conditions" means the Conditions set out in paragraphs 3(c) and 3(d) of Part A of Appendix 1 to the Announcement;

"Regulatory Information Service" means any information service authorised from time to time by the Financial Conduct Authority for the purpose of disseminating regulatory announcements;

"Relevant Authority" means the CMA, Secretary of State, the Treasurer and CFIUS (in each case, as defined in the Announcement) and any other court or competition, anti-trust, national, supra-national or supervisory body or any other government or government department, governmental, trade or regulatory agency or body, in each case in any jurisdiction, including the European Commission but excluding the Panel;

"Remedies" means any conditions, measures, commitments, undertakings, remedies, mitigation measures (including disposals, whether before or following completion of the Acquisition, and any pre-divestiture reorganisations) or assurance (financial or otherwise) offered or required in connection with the obtaining of any Clearances, and **"Remedy"** shall be construed accordingly;

"Resolutions" means (i) such shareholder resolutions of M&C Saatchi as are necessary to approve, implement and effect the Scheme and the Transaction; and (ii) a shareholder resolution of M&C Saatchi to amend the articles of association of M&C Saatchi by the adoption of a new article under which any M&C Saatchi Shares issued or transferred after the M&C Saatchi General Meeting shall either be subject to the Scheme or (after the

Effective Date) shall be immediately transferred to Next Fifteen (or as it may direct) in exchange for the same consideration as would be due under the Scheme;

"Scheme" means the scheme of arrangement proposed to be made under Part 26 of the Companies Act between M&C Saatchi and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by M&C Saatchi and Next Fifteen;

"Scheme Conditions" means the Conditions referred to in paragraph 1 of Part A of Appendix 1 to the Announcement;

"Scheme Document" means the document to be sent to (among others) M&C Saatchi Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and the M&C Saatchi General Meeting;

"Scheme Shareholders" means the holders of the Scheme Shares;

"Scheme Shares" has the meaning given in the Announcement;

"Switch" has the meaning given in clause 8.1;

"Takeover Offer" means a takeover offer (within the meaning of section 974 of the Companies Act) to be made by or on behalf of Next Fifteen to acquire the entire issued and to be issued share capital of M&C Saatchi on the terms and conditions to be set out in the Offer Document, such offer, including any subsequent revision, amendment, variation, extension, or renewal; and

"Working Hours" means 9.30 a.m. to 5.30 p.m. in the relevant location on a Business Day.

1.2 In this Agreement, unless the context otherwise requires:

- (a) the expressions **"subsidiary"** and **"subsidiary undertaking"** have the meanings given in the Companies Act;
- (b) the expressions **"acting in concert"** and **"concert parties"** shall be construed in accordance with the Code;
- (c) **"interest"** in shares or securities shall be construed in accordance with the Code;
- (d) a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;
- (e) references to a **"person"** include any individual, an individual's executors or administrators, a partnership, a firm, a body corporate (wherever incorporated), an unincorporated association, government, state or agency of a state, local or municipal authority or government body, a joint venture, association, works council or employee representative body (in any case, whether or not having separate legal personality);
- (f) references to a recital, paragraph, clause or schedule (other than a schedule to a statutory provision) shall refer to those of this Agreement unless stated otherwise;
- (g) headings do not affect the interpretation of this Agreement, the singular shall include the plural and vice versa, and references to one gender include all genders;

- (h) references to time are to London time;
 - (i) any reference to a day (including within the phrase Business Day) shall mean a period of 24 hours running from midnight to midnight;
 - (j) references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be construed as references to the term or concept which most nearly corresponds to it in that jurisdiction;
 - (k) references to "**£**", "**GBP**", "**pounds sterling**", "**pence**" and "**p**" are references to the lawful currency from time to time of the United Kingdom;
 - (l) any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
 - (m) a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied or supplemented at any time; and
 - (n) references to this Agreement include this Agreement as amended or supplemented in accordance with its terms.
- 1.3 The schedules form part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement and any reference to this Agreement shall include the schedules.
2. **PUBLICATION OF THE ANNOUNCEMENT AND THE TERMS OF THE ACQUISITION**
- 2.1 The obligations of the parties under this Agreement, other than clause 1, this clause 2.1 and clauses 12 to 20 (inclusive) and 22 to 26 (inclusive), shall be conditional on the release of the Announcement via a Regulatory Information Service at or before 8.00 a.m. on the date of this Agreement or such later time and date as the parties may in writing agree (and, where required by the Code, the Panel may approve). This clause 2.1 and clauses 1, 12 to 20 (inclusive) and 22 to 26 (inclusive) shall take effect on and from execution of this Agreement.
- 2.2 The principal terms of the Acquisition shall be as set out in the Announcement, together with such other terms as may be agreed by the parties in writing (save for an increase in the consideration (comprising both cash and New Next Fifteen Shares) to be paid to M&C Saatchi Shareholders which will be at the absolute discretion of Next Fifteen) and, where required by the Code, approved by the Panel. The terms of the Acquisition at the date of publication of the Acquisition Document shall be set out in the Acquisition Document.
3. **UNDERTAKINGS IN RELATION TO THE REGULATORY CONDITIONS**
- 3.1 Except where otherwise required by Law or a Relevant Authority:
- (a) Next Fifteen shall determine, having consulted in good faith and on a timely basis with M&C Saatchi, and reasonably considering comments from M&C Saatchi, the strategy to be pursued for satisfying the Regulatory Conditions;
 - (b) Next Fifteen shall contact and correspond with any Relevant Authority in relation to any Clearances sought by Next Fifteen in respect of the Acquisition in accordance with this Agreement, including submitting and preparing, with the assistance of M&C Saatchi in accordance with this Agreement, all necessary filings, notifications and submissions.

- 3.2 M&C Saatchi undertakes to, as promptly as reasonably practicable and in any event with sufficient time before any applicable deadline or due date, provide such information and assistance as Next Fifteen may reasonably require for the purposes of obtaining all Clearances and making any submission, filing or notification to any Relevant Authority in relation to the satisfaction of the Regulatory Conditions.
- 3.3 Subject to M&C Saatchi having complied with its obligations in this clause 3 in all material respects, Next Fifteen shall use, and shall procure that each member of the Next Fifteen Group shall use, all reasonable endeavours to achieve and otherwise satisfy all of the Regulatory Conditions, provided that (without prejudice to any determination by the Panel to the contrary), Next Fifteen shall not for these purposes be required to propose or accept any Remedies that would reasonably be considered to be capable of: (i) materially limiting, or otherwise materially delaying, its ability to own, control and operate the M&C Saatchi Group; (ii) materially limiting or delaying its ability to integrate the M&C Saatchi Group into the Next Fifteen Group; or (iii) otherwise materially adversely affecting the business of the Next Fifteen Group or the M&C Saatchi Group, in each case as soon as reasonably practicable (and, in any event, in sufficient time so as to enable the Effective Date to occur prior to the Long Stop Date). The parties agree that Next Fifteen shall not be in breach of any its obligations under clause 3.3 to the extent that any such breach is caused by M&C Saatchi's failure to comply with its obligations under clause 3.2.
- 3.4 Without prejudice to the generality of clause 3.3, Next Fifteen undertakes that, to the extent practicable and not prohibited by Law or a Relevant Authority, it will:
- (a) provide to M&C Saatchi (or its advisers), or procure the provision to M&C Saatchi (or its advisers) of, draft copies of all material filings, notifications, submissions and communications to be made to any Relevant Authority by it or on its behalf in relation to obtaining any Clearances, at such time as will allow M&C Saatchi a reasonable opportunity to provide comments on such filings, notifications, submissions and communications before they are submitted or sent;
 - (b) take account of reasonable comments made by M&C Saatchi (or its advisers) in such material filings, notifications, submissions and communications;
 - (c) provide M&C Saatchi (or its nominated advisers) with copies of all material filings, notifications, submissions and communications in the form submitted or sent to any Relevant Authority by or on its behalf in relation to obtaining any Clearances;
 - (d) unless the Relevant Authority stipulates or requires otherwise or confidentiality considerations require otherwise, give M&C Saatchi reasonable prior notice of, and allow persons nominated by the other to attend, all meetings and/or material telephone calls with any Relevant Authority in connection with the obtaining of the Clearances and the implementation of the Acquisition and to make reasonable oral submissions during such meetings and/or telephone calls;
 - (e) give M&C Saatchi reasonable prior notice of any requests by any Relevant Authority for further information consequent on filings made and take account of such comments as are made by M&C Saatchi in any responses to such requests;
 - (f) promptly notify M&C Saatchi of any material communications from any Relevant Authority in relation to obtaining any Clearances and provide copies of those communications; and
 - (g) not, and procure that each member of the Next Fifteen Group shall not, withdraw a filing, submission or notification to any Relevant Authority, or enter into any timing agreement, understanding or commitment with any Relevant Authority to extend any waiting period or not close the Acquisition, without M&C Saatchi's prior written consent (such consent not to be unreasonably withheld, delayed or conditioned).

- 3.5 Next Fifteen undertakes, to the extent not prohibited by Law, to keep M&C Saatchi informed of the progress towards satisfaction (or otherwise) of the Regulatory Conditions and if at any time it becomes aware of anything that may be reasonably considered to be likely to prevent any of the Regulatory Conditions from being satisfied, it shall promptly inform M&C Saatchi.
- 3.6 If any provision of this Agreement obliges Next Fifteen or M&C Saatchi (the "**Disclosing Party**") to disclose any information to the other:
- (a) that is personally identifiable information of a director, officer or employee of the Disclosing Party or its affiliated persons, unless that information can be reasonably anonymised (in which case the Disclosing Party shall provide the relevant information on an anonymous basis);
 - (b) which the Disclosing Party or its affiliated persons reasonably considers to be commercially or competitively sensitive or where disclosure to the other party would reasonably be expected to have a material adverse effect on the Disclosing Party's legitimate business interests;
 - (c) which the Disclosing Party is prohibited from disclosing by applicable Law or the terms of an existing contract;
 - (d) where such disclosure would result in the loss of privilege that subsists in relation to such information, including legal professional privilege; or
 - (e) where such disclosure would result in the relevant information being required to be disclosed to a competing bidder pursuant to Rule 21.3 of the Code,
- the Disclosing Party shall, to the extent permitted by applicable Law (and, if relevant, the Code), disclose the relevant information to the other party on an outside counsel basis or where disclosure in this manner would reasonably be expected to have a material adverse effect on the Disclosing Party's legitimate business interest, directly to a Relevant Authority (and in such circumstances, and to the extent permitted by applicable Law, the Disclosing Party shall provide to the other non a non-confidential version of such information). Nothing in this Agreement shall require either party to disclose to or receive from the other any information which the Disclosing Party is prohibited from disclosing or the receiving party is prohibited from receiving by Law or where such disclosure would result in the loss of any privilege that subsists in relation to such information.
- 3.7 Next Fifteen shall be responsible for paying any filing, administrative or other fees levied by any Relevant Authority for the purpose of obtaining the Clearances, unless such fees are payable by M&C Saatchi as specified by the applicable local laws.
- 3.8 Nothing in this Agreement shall at any time oblige Next Fifteen:
- (a) to waive or treat as satisfied any Condition that Next Fifteen is entitled, with the permission of the Panel, to invoke; or
 - (b) where Next Fifteen has given notice to M&C Saatchi that it considers it is or may be entitled to invoke a Condition, to waive or treat as satisfied any Condition before the date on which the Panel rules (or if any such ruling is capable to appeal, Next Fifteen confirms that it does not intend to appeal) that any such Condition may not be invoked.
- 3.9 The obligation of Next Fifteen to complete the Acquisition is subject to satisfaction (or, where permitted, waiver) of the Conditions.

- 3.10 The provisions of this clause 3 shall be subject to and without prejudice to the provisions of the Joint Defence Agreement and in the event of conflict, the terms of the Joint Defence Agreement shall prevail.

4. SCHEME DOCUMENT

Where the Acquisition is being implemented by way of the Scheme, Next Fifteen agrees:

- (a) promptly to provide M&C Saatchi all such information about itself, its directors and the Next Fifteen Group (and, to the extent required by the Panel, any other person connected with Next Fifteen) as may reasonably be requested and which is required by M&C Saatchi (having regard to the Code and other Law) for inclusion in the Scheme Document (including any information required under the Code or other Law);
- (b) promptly to provide M&C Saatchi with all such other assistance and access as may reasonably be required in connection with the preparation of the Scheme Document and any other document required under the Code or by other Law to be published in connection with the Scheme, including access to, and ensuring the provision of reasonable assistance by, Next Fifteen's relevant professional advisers;
- (c) to procure that the Next Fifteen Responsible Persons accept responsibility, in the terms required by the Code, for all the information (including any expressions of opinion) in the Scheme Document relating to themselves (and their close relatives and related trusts), Next Fifteen and the Next Fifteen Group, and any other information in the Scheme Document for which an offeror's directors are required to accept responsibility under the Code;
- (d) that, if any supplemental circular or document is required to be published in connection with the Scheme or, subject to the prior written consent of Next Fifteen, any variation or amendment to the Scheme, it shall provide such co-operation and information as is reasonably necessary to comply with all regulatory provisions as M&C Saatchi may reasonably request in order to finalise such document; and
- (e) to notify M&C Saatchi if any information provided by Next Fifteen in the Scheme Document or any supplementary circular or document is or has become false or misleading as promptly as reasonably practicable after it becomes aware that such information is or has become false or misleading.

5. NEXT FIFTEEN SHAREHOLDER APPROVAL

- 5.1 M&C Saatchi agrees to promptly provide all such information about the M&C Saatchi Group and its directors as may reasonably be requested by Next Fifteen and is required to be included in the Next Fifteen Circular.
- 5.2 Next Fifteen undertakes to use all reasonable endeavours to convene the Next Fifteen General Meeting so that it is held no later than the 22nd day following the date specified in the Scheme Circular for the holding of the Next Fifteen General Meeting (or such later date as may be agreed in writing between the parties with the consent of the Panel (if required)).
- 5.3 Without prejudice to the generality of clause 5.2, Next Fifteen undertakes that, to the extent practicable and not prohibited by Law or a Relevant Authority, it will:
- (a) provide to M&C Saatchi (or its advisers), or procure the provision to M&C Saatchi (or its advisers) of, draft copies of the Next Fifteen Circular at such time as will allow M&C Saatchi a reasonable opportunity to provide comments on such drafts; and
 - (b) take account of reasonable comments made by M&C Saatchi (or its advisers) in respect of such drafts.

6. CONDUCT OF BUSINESS

6.1 Except: (i) with the prior written consent of M&C Saatchi (such consent not to be unreasonably withheld or delayed); (ii) as required by Law; or (iii) as expressly contemplated by this Agreement or the Announcement, Next Fifteen shall not (and shall procure that no member of the Next Fifteen Group shall) before the Effective Date:

- (a) other than in the ordinary course of business and consistent with past practice (including, without limitation, the granting of options or awards in respect of the Next Fifteen Shares granted to employees in the normal and ordinary course and in accordance with Next Fifteen's employee incentive plans and the issuance of Next Fifteen Shares necessary to satisfy such options or awards vesting or due to be settled under such plans), allot or issue Next Fifteen Shares or grant any options relating to the Next Fifteen Shares at less than fair market value;
- (b) split, combine or reclassify any of the Next Fifteen Shares or amend its memorandum or articles of association to adversely impact the New Next Fifteen Shares;
- (c) subject to clause 6.2, authorise, declare or pay any dividends on or make any distribution in cash or otherwise with respect to the Next Fifteen Shares;
- (d) adopt a plan of liquidating Next Fifteen or any material member of the Next Fifteen Group;
- (e) do or fail to do anything which could prejudice the admission to trading of Next Fifteen Shares on AIM; or
- (f) agree, resolve, commit or announce its intention to do any of the foregoing (as applicable), whether conditionally or unconditionally.

6.2 Notwithstanding clause 6.1(c), Next Fifteen may:

- (a) continue to authorise, declare and pay dividends and distributions in the ordinary course and consistent with past practice (including as to the timing of the authorisation, declaration and payment of any dividend or distribution) and/or Next Fifteen's stated dividend policy; and/or
- (b) authorise, declare and pay dividends and distributions with reference to a record date after the Effective Date (so that, if the Acquisition is completed, the New Next Fifteen Shares rank for participation in such dividends or distributions rateably and equally with all other Next Fifteen Shares then issued).

7. IMPLEMENTATION OF THE ACQUISITION

7.1 Where the Acquisition is being implemented by way of the Scheme:

- (a) Next Fifteen undertakes that, by no later than 11.59 p.m. on the Business Day immediately preceding the Court Hearing, it shall deliver a notice in writing to M&C Saatchi either:
 - (i) confirming the satisfaction or waiver of all Conditions (other than the Scheme Conditions); or
 - (ii) confirming its intention to invoke a Condition (if permitted by the Panel) and providing reasonable details of the event which has occurred, or circumstances which have arisen, which Next Fifteen reasonably considers entitle it to invoke the Condition and why, in the case of any Condition to which Rule 13.5(a) of the Code applies, Next Fifteen considers such event or

circumstance to be of material significance to Next Fifteen in the context of the Acquisition; and

- (b) in circumstances in which Next Fifteen confirms the satisfaction or waiver of all Conditions (other than the Scheme Conditions), Next Fifteen shall instruct counsel to appear on its behalf at the Court Hearing and undertake to the Court to be bound by the terms of the Scheme in so far as it relates to Next Fifteen.

8. **SWITCHING TO A TAKEOVER OFFER**

8.1 The parties currently intend that the Acquisition will be implemented by way of the Scheme. However, Next Fifteen shall be entitled, with the consent of the Panel, to implement the Acquisition by way of the Takeover Offer rather than the Scheme (such election being a "**Switch**").

8.2 In the event of any Switch, unless otherwise agreed with M&C Saatchi or required by the Panel:

- (a) Next Fifteen will:
 - (i) prepare, as soon as reasonably practicable, the Offer Document and any Prospectus and related form of acceptance;
 - (ii) consult in good faith with M&C Saatchi as to the timing of the publication of the Offer Document and any Prospectus and the form of acceptance; and
 - (iii) consult in good faith with M&C Saatchi as to the form and content of the Offer Document and any Prospectus and the form of acceptance;
 - (iv) subject to clause 8.2(c), seek M&C Saatchi's approval (such approval not to be unreasonably withheld, delayed or conditioned) for:
 - (A) the information contained in the Offer Document and/or Prospectus insofar as it relates to M&C Saatchi or the M&C Saatchi Directors (and their close relatives (as defined in the Code), related trusts and companies and persons connected with them); and
 - (B) any opinions to be attributed to the M&C Saatchi Directors,before the Offer Document and/or any Prospectus is published;
 - (v) afford M&C Saatchi sufficient time to consider each draft of the Offer Document and/or any Prospectus in order to provide its comments; and
 - (vi) subject to clause 8.2(c), only publish the Offer Document and any Prospectus once the Offer Document and/or any Prospectus is in a form which has been approved by both Next Fifteen and M&C Saatchi (in each case, such approval not to be unreasonably withheld, delayed or conditioned).
- (b) M&C Saatchi agrees to promptly provide all such information about the M&C Saatchi Group and its directors as may reasonably be requested by Next Fifteen and is required to be included in the Offer Document and/or any Prospectus;
- (c) if M&C Saatchi does not approve the Offer Document and/or any Prospectus within 28 days from the date of the Switch, Next Fifteen shall be entitled to publish the Offer Document and/or any Prospectus containing only information required by Rule 24 of the Code and/or the Prospectus Regulation Rules and excluding such information as may be approved by the Panel and/or Financial Conduct Authority (as applicable);

- (d) Next Fifteen shall ensure that the only conditions to the Takeover Offer shall be the Conditions, subject to replacing the Scheme Conditions with the Acceptance Condition and any other modifications or amendments to the Conditions as may be required by the Panel or agreed in writing between the parties;
- (e) Next Fifteen shall keep M&C Saatchi informed, on a confidential basis within two Business Days following receipt of a written request from M&C Saatchi, of the number of M&C Saatchi Shareholders that have validly returned their acceptance or withdrawal forms or incorrectly completed their acceptance or withdrawal forms, the identity of such shareholders and the number of M&C Saatchi Shares to which such forms relate; and
- (f) all provisions of this Agreement relating to the Scheme and its implementation shall apply to the Takeover Offer or its implementation mutatis mutandis.

9. M&C SAATCHI SHARE PLAN

- 9.1 The provisions of schedule 2 shall apply in respect of the M&C Saatchi Share Plan.
- 9.2 Each of the parties agrees that if the Acquisition is implemented by way of the Scheme, the timetable for its implementation shall be fixed so far as is possible so as to enable options and awards under the M&C Saatchi Share Plan which provide for exercise and/or vesting upon the sanction of the Scheme by the Court to be exercised or vest in sufficient time to enable the resulting M&C Saatchi Shares to be bound by the Scheme on the same terms as M&C Saatchi Shares held by M&C Saatchi Shareholders.

10. DIRECTORS' AND OFFICERS' INSURANCE

- 10.1 If and to the extent such obligations are permitted by Law and if the Acquisition becomes Effective, for six years after the Effective Date, Next Fifteen shall procure that the members of the M&C Saatchi Group honour and fulfil their respective obligations (if any) existing as at or prior to the date of this Agreement to indemnify their respective directors, officers and employees and to advance expenses, in each case with respect to matters existing or occurring at or prior to the Effective Date.
- 10.2 Next Fifteen acknowledges that M&C Saatchi may purchase directors' and officers' liability insurance cover for both current and former directors and officers of the M&C Saatchi Group, including directors and officers who retire or whose employment is terminated as a result of the Acquisition, for acts and omissions up to and including the Effective Date, in the form of runoff cover for a period of six years following the Effective Date. Such insurance cover shall be with reputable insurers and provide cover, in terms of amount and breadth, at least as much as that provided under the M&C Saatchi Group's directors' and officers' liability insurance as at the date of this Agreement (as disclosed to Next Fifteen prior to the date of this Agreement).

11. TERMINATION

- 11.1 Subject to clauses 11.2 and 11.3, this Agreement shall terminate and all obligations of the parties under this Agreement shall cease, as follows:
 - (a) if agreed in writing between the parties;
 - (b) if the Acquisition is, with the permission of the Panel, withdrawn or lapses in accordance with its terms prior to the Longstop Date (other than where: (i) such lapse or withdrawal is as a result of the exercise of Next Fifteen's right to effect a Switch in accordance with the terms of this Agreement or (ii) it is otherwise to be followed within five Business Days by an announcement under Rule 2.7 of the Code made by Next Fifteen or a person acting in concert with Next Fifteen to implement

the Acquisition by a different offer or scheme on substantially the same or improved terms);

- (c) if Scheme Shareholders vote at the Court Meeting and such vote does not achieve the requisite majorities for the Scheme to be approved, or M&C Saatchi Shareholders vote on the relevant Resolution at the M&C Saatchi General Meeting and any such vote does not achieve the requisite majority for the relevant Resolution to be passed or the Court refuses to sanction the Scheme;
- (d) if Next Fifteen Shareholders vote at the Next Fifteen General Meeting on the Next Fifteen Resolution and such vote does not achieve the requisite majority for the Next Fifteen Resolution to be passed or if the Next Fifteen Board fails to recommend or withdraws or qualifies any recommendation to Next Fifteen Shareholders to vote in favour of the Next Fifteen Resolution at the Next Fifteen General Meeting;
- (e) an offer made by a third party completes, becomes effective or is declared or becomes unconditional in all respects;
- (f) unless otherwise agreed by the parties in writing, if the Effective Date has not occurred on or before the Longstop Date; or
- (g) upon service of written notice by Next Fifteen on M&C Saatchi if:
 - (i) the M&C Saatchi Independent Board:
 - (A) withdraws, qualifies or modifies the M&C Saatchi Independent Board Recommendation; or
 - (B) prior to the publication of the Scheme Document (or, if different, any other document convening the Court Meeting or M&C Saatchi General Meeting), withdraws, qualifies or adversely modifies its intention to make the M&C Saatchi Independent Board Recommendation in any such document, including making any public statement to such effect, or failing to publicly reaffirm or re-issue a statement of its intention to make the M&C Saatchi Independent Board Recommendation on an unmodified and unqualified basis before 5:00 p.m. on the third Business Day following Next Fifteen's reasonable request to do so;
 - (ii) other than where a Switch has occurred, M&C Saatchi does not include the M&C Saatchi Independent Board Recommendation in the Scheme Document (or, if different, any other document convening the Court Meeting or M&C Saatchi General Meeting);
 - (iii) the Court Meeting and/or the M&C Saatchi General Meeting are or is not held on or before the 22nd day after the expected date of such meetings as set out in the Scheme Document (or, if different, the document(s) convening the Court Meeting and/or M&C Saatchi General Meeting (as applicable), including, where delayed pursuant to clause 11.1(g)(iii)(A) (the supplementary circular) (or such later date as may be agreed in writing between the parties with the consent of the Panel and the approval of the Court (if such approval is required), unless:
 - (A) a supplementary circular is required to be published in connection with the Scheme, and, as a result, the Court Meeting and the M&C Saatchi General Meeting cannot be held by such date in compliance with the Code and other Law, provided that M&C Saatchi has used all reasonable endeavours to publish the supplementary circular as soon as reasonably practicable after the date on which the requirement to publish a supplementary circular arises; or

- (B) Next Fifteen has committed a breach of clause 4 and such breach has caused the delay; or
 - (C) Next Fifteen announces, as referred to in paragraph 4 of Part B of Appendix 1 to the Announcement, that it has waived the relevant deadline, in which case the provisions of 11.1(g)(iii) shall apply to the new deadline referred to in such announcement (if any); or
 - (iv) a third party announces a firm intention to make an offer or a revised offer for the issued and to be issued ordinary share capital of M&C Saatchi which is recommended by the M&C Saatchi Independent Board or which the M&C Saatchi Independent Board states publicly its intention to recommend.
- (h) upon service of written notice on Next Fifteen by M&C Saatchi if the Next Fifteen General Meeting is not held on or before the 22nd day after the expected date of such meeting as set out in the Scheme Document (or such later date as may be agreed in writing between the parties with the consent of the Panel (if required)), unless:
- (i) a supplementary circular is required to be published in connection with the Next Fifteen General Meeting, and, as a result, the Next Fifteen General Meeting cannot be held by such date in compliance with the Code and other Law, provided that Next Fifteen has used all reasonable endeavours to publish the supplementary circular as soon as reasonably practicable after the date on which the requirement to publish a supplementary circular arises; or
 - (ii) M&C Saatchi has committed a breach of this Agreement and such breach has caused the delay.
- 11.2 Termination of this Agreement shall be without prejudice to the rights of the parties which have arisen prior to termination, including any claim in respect of a breach of this Agreement.
- 11.3 Clauses 14 to 20 (inclusive), 22 to 26 (inclusive), this clause 11 and all related provisions of clause 1 shall survive termination of this Agreement.
12. **TAKEOVER CODE**
- 12.1 Nothing in this Agreement shall in any way limit the parties' obligations under the Code, and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over such terms of this Agreement.
- 12.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires M&C Saatchi to take or not to take any action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded.
- 12.3 Nothing in this Agreement shall oblige M&C Saatchi or the M&C Saatchi Directors to recommend any Takeover Offer or any Scheme proposed by Next Fifteen or any member of its Group or restrict the M&C Saatchi Directors from withdrawing or amending any recommendation they have previously given.
- 12.4 Without prejudice to the representations and warranties given by the parties pursuant to clause 13, nothing in this Agreement shall be taken to restrict the directors of any member of the M&C Saatchi Group or the Next Fifteen Group from complying with Law, orders of court or regulations, including the Code, the AIM Rules and the rules and regulations of the Panel.

13. **REPRESENTATIONS AND WARRANTIES**

13.1 Each party represents and warrants to the other party on the date of this Agreement that:

- (a) it has the requisite power and authority to enter into and perform its obligations under this Agreement;
- (b) this Agreement constitutes its binding obligations in accordance with its terms;
- (c) there are no actions, suits or proceedings or regulatory investigations pending, or (to its knowledge) threatened against or affecting it, before any court or administrative body or arbitral tribunal which could adversely affect its ability to meet and carry out its obligations under this Agreement; and
- (d) the execution and delivery of, and performance of its obligations under, this Agreement will not:
 - (i) result in any breach of any provision of its constitutional documents;
 - (ii) result in a breach of, or constitute a default under, any instrument to which it is a party or by which it is bound; or
 - (iii) result in a breach of any order, judgment, or decree of any court or governmental agency to which it is a party or by which it is bound.

13.2 Neither party shall have any claim against the other party pursuant to clause 13.1 for misrepresentation or breach of warranty after the Effective Date (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).

14. **COSTS**

Except as otherwise provided in this Agreement, each party shall pay its own Costs incurred in connection with negotiating, preparing and completing this Agreement or otherwise in connection with the Acquisition. Next Fifteen shall be responsible for paying (i) any filing fees charged by any Relevant Authority for any filings, notifications or submissions required in relation to the Clearances in order to satisfy the Regulatory Conditions unless such fees are payable by M&C Saatchi as specified by applicable local laws and regulations and (ii) the Panel's document charges in respect of the Acquisition.

15. **ENTIRE AGREEMENT**

15.1 Without prejudice to the terms of the Announcement or the Acquisition Document, this Agreement, the Joint Defence Agreement and the Confidentiality Agreement together set out the entire agreement between the parties relating to the Acquisition and supersede any previous draft, agreement, arrangement or understanding, whether in writing or not, relating to the Acquisition.

15.2 Each party acknowledges that in entering into this Agreement it is not relying upon any pre-contractual statement that is not set out in this Agreement, the Joint Defence Agreement or the Confidentiality Agreement.

15.3 Except in the case of fraud or fraudulent misrepresentation, no party shall have any right of action against any other party to this Agreement arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement, the Joint Defence Agreement or the Confidentiality Agreement.

15.4 For the purposes of this clause, "**pre-contractual statement**" means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this

Agreement, the Joint Defence Agreement or the Confidentiality Agreement made or given by any person at any time prior to the entry into of this Agreement.

15.5 Nothing in this Agreement shall limit any liability for (or remedy in respect of) fraud or fraudulent misrepresentation.

15.6 Each party agrees to the terms of this clause 15 on its own behalf.

16. **ASSIGNMENT**

Unless the parties specifically agree in writing, no person shall assign, transfer, charge or otherwise deal with all or any of its rights under this Agreement nor grant, declare, create or dispose of any right or interest in it.

17. **NOTICES**

17.1 Any notice to be given by one party to the other party in connection with this Agreement shall be in writing in English and signed by or on behalf of the party giving it. It shall be delivered by hand, e-mail, registered post or courier using an internationally recognised courier company.

17.2 A notice shall be effective upon receipt and shall be deemed to have been received (i) at the time of delivery, if delivered by hand, registered post or courier or (ii) at the time of transmission if delivered by e-mail. Where delivery occurs outside Working Hours, notice shall be deemed to have been received at the start of Working Hours on the next following Business Day.

17.3 The addresses and e-mail addresses of the parties for the purpose of clause 17.1 are:

Next Fifteen

Address: 75 Bermondsey Street, London, United Kingdom, SE1 3XF

E-mail:

For the attention of: Peter Harris, Jonathan Peachey and Mark Sanford

With a copy (which shall not constitute notice) to:

Address: Ashurst LLP
London Fruit & Wool Exchange
1 Duval Square
London E1 6PW
United Kingdom

E-mail:

For the attention of: James Fletcher

M&C Saatchi

Address: 36 Golden Square, London, England, W1F 9EE

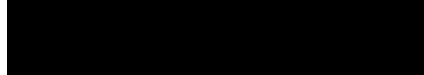
E-mail:

For the attention of: Moray MacLennan and Victoria Clarke

With a copy (which shall not constitute notice) to:

Address: CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
78 Cannon Street
London
EC4N 6AF

E-mail:



For the attention of: Simon Morgan

- 17.4 Each party shall notify the other party in writing of any change to its details in clause 17.3 from time to time.

18. **LANGUAGE**

Each language of communication under or in connection with this Agreement shall be in English.

19. **WAIVERS, RIGHTS AND REMEDIES**

- 19.1 The rights and remedies provided for in this Agreement are cumulative and not exclusive of any other rights or remedies, whether provided by Law or otherwise.
- 19.2 No failure to exercise, or delay in exercising, any right under this Agreement or provided by Law shall affect that right or operate as a waiver of the right. The single or partial exercise of any right under this Agreement or provided by Law shall not preclude any further exercise of it.
- 19.3 Without prejudice to any other rights or remedies that the other party may have, each party acknowledges and agrees that damages may not be an adequate remedy for any breach by it of this Agreement and that accordingly the other party may be entitled, without proof of special damages, to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of this Agreement by any party and no proof of special damages shall be necessary for the enforcement by any party of the rights under this Agreement.

20. **NO PARTNERSHIP**

No provision of this Agreement creates a partnership between the parties or makes a party the agent of the other party for any purpose. A party has no authority or power to bind, to contract in the name of, or to create a liability for the other party in any way or for any purpose.

21. **FURTHER ASSURANCES**

At its own Cost, each party shall (and shall procure that members of its Group shall and shall use reasonable endeavours to procure that any necessary third party shall) execute such documents and do such acts and things as may be necessary for the purpose of giving the full benefit of this Agreement.

22. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by e-mail attachment or telecopy will be an effective mode of delivery.

23. **VARIATIONS**

23.1 No variation of this Agreement shall be valid unless it is in writing and duly executed by or on behalf of all of the parties to it.

23.2 If this Agreement is varied:

- (a) the variation shall not constitute a general waiver of any provisions of this Agreement;
- (b) the variation shall not affect any rights, obligations or liabilities under this Agreement that have already accrued up to the date of variation; and
- (c) the rights and obligations of the parties under this Agreement shall remain in force, except as, and only to the extent that, they are varied.

24. **INVALIDITY**

24.1 Each of the provisions of this Agreement is severable.

24.2 If and to the extent that any provision of this Agreement:

- (a) is held to be, or becomes, invalid or unenforceable under the Law of any jurisdiction; but
- (b) would be valid, binding and enforceable if some part of the provision were deleted or amended,

then the provision shall apply with the minimum modifications necessary to make it valid, binding and enforceable and neither the validity or enforceability of the remaining provisions of this Agreement, nor the validity or enforceability of that provision under the Law of any other jurisdiction, shall in any way be affected or impaired as a result of this clause 24.2.

25. **THIRD PARTY ENFORCEMENT RIGHTS**

25.1 Each of the persons to whom clauses 10.1 and/or 10.2 applies may under the Contracts (Rights of Third Parties) Act 1999 enforce the terms of clauses 10.1 and/or 10.2 (as applicable). This right is subject to: (a) the rights of the parties to rescind or vary this Agreement without the consent of any other person and; (b) the other terms and conditions of this Agreement.

25.2 Except as set out in clause 25.1, a person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

26. **GOVERNING LAW AND JURISDICTION**

26.1 This Agreement and any non-contractual obligations arising out of or in connection with this Agreement shall be governed by, and interpreted in accordance with, English law.

26.2 The English courts shall have exclusive jurisdiction in relation to all disputes (including claims for set-off and counterclaims) arising out of or in connection with this Agreement including, without limitation disputes arising out of or in connection with: (a) the creation, validity, effect, interpretation, performance or non-performance of, termination or the legal

relationships established by, this Agreement; and (b) any non-contractual obligations arising out of or in connection with this Agreement. For such purposes each party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction. Each party also irrevocably waives any objection to the recognition or enforcement in the courts of any other country of a judgment delivered by an English court exercising jurisdiction pursuant to this clause.

IN WITNESS whereof this Agreement has been entered into on the date stated on page 1.

SCHEDULE 1

Form of Announcement

RNS Offer for

Offer for M&C Saatchi plc

NEXT FIFTEEN COMMUNICATIONS GROUP PLC

Released 07:01:07 20 May 2022

RNS Number : 2333M
Next Fifteen Communications Grp PLC
20 May 2022

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN OR INTO ANY RESTRICTED JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

FOR IMMEDIATE RELEASE.

20 May 2022

RECOMMENDED CASH AND SHARE ACQUISITION

OF

M&C SAATCHI PLC

BY

NEXT FIFTEEN COMMUNICATIONS GROUP PLC

TO BE EFFECTED BY MEANS OF A SCHEME OF ARRANGEMENT UNDER PART 26 OF THE COMPANIES ACT 2006

Summary

The Board of Next Fifteen Communications Group plc ("**Next Fifteen**") and the M&C Saatchi Independent Directors are pleased to announce that they have reached agreement on the terms of a recommended cash and share acquisition by which the entire issued and to be issued ordinary share capital of M&C Saatchi plc ("**M&C Saatchi**") will be acquired by Next Fifteen, to be effected by means of a court sanctioned scheme of arrangement between M&C Saatchi and the M&C Saatchi Shareholders under Part 26 of the Companies Act 2006 (the "**Acquisition**").

Under the terms of the Acquisition, holders of M&C Saatchi Shares will be entitled to receive:

For each M&C Saatchi Share: 0.1637 of a New Next Fifteen Share

And

40 pence in cash

The Acquisition values each M&C Saatchi Share at 247.2 pence (the "**Acquisition Price**") and the entire issued and to be issued ordinary share capital of M&C Saatchi at approximately £310.1 million on a fully diluted basis (the "**Acquisition Value**") based on the Closing Price per Next Fifteen Share on the Last Practicable Date of 1,266.0 pence.

The Acquisition Price represents a premium of approximately:

- 49.8 per cent. to the Closing Price of 165.0 pence per M&C Saatchi Share on the Last Practicable Date;
- 47.6 per cent. to the Closing Price of 167.5 pence per M&C Saatchi Share on 4 January 2022, being the last Business Day prior to ADV's announcement of its acquisition of a minority stake in M&C Saatchi;
- 41.1 per cent. to the average Closing Price per M&C Saatchi Share of 175.2 pence in the 3 months prior to and including the Last Practicable Date;
- 53.6 per cent. to the average Closing Price per M&C Saatchi Share of 160.9 pence in the 3 months prior to and including 4 January 2022;
- 19.1 per cent. to the ADV All Share Offer of 2.530 ADV Shares per M&C Saatchi Share based on the ADV Closing Price of 82.0 pence on 16 May 2022, being the

last Business Day prior to the date of ADV's announcement of its firm offer; and

- 19.1 per cent. to the ADV Cash and Shares Offer of 2.043 ADV Shares and 40 pence in cash per M&C Saatchi Share, based on the ADV Closing Price of 82.0 pence on 16 May 2022, being the last Business Day prior to the date of ADV's announcement of its firm offer.

The Acquisition Value represents:

- a multiple of 10.0 times M&C Saatchi's forecast headline profit before tax for the 12 months to 31 December 2022, expected to be in the region of £31.0 million; and
- a multiple of 7.6 times M&C Saatchi's forecast headline profit before tax for the 12 months to 31 December 2023, expected to be in the region of £41.0 million.

Following completion of the Acquisition, M&C Saatchi Shareholders will own approximately 17.3 per cent. of the Enlarged Group on a fully diluted basis.

The M&C Saatchi Independent Directors are recommending the terms of the Acquisition and consider it superior to the terms of the ADV Offer which they have unanimously rejected. Accordingly the M&C Saatchi Independent Directors urge M&C Saatchi Shareholders to take no action in respect of the ADV Offer.

The M&C Saatchi Independent Directors recognise the strong support for the Acquisition from amongst its key senior employees, including members of M&C Saatchi's Executive Committee ("Excom") (consisting of 18 individuals who lead the key business lines responsible for M&C Saatchi's revenue), who have met with Next Fifteen and have expressed unanimous support for the Acquisition and the potential for the Acquisition.

If M&C Saatchi announces, declares or pays any dividend or any other distribution to M&C Saatchi Shareholders on or after the date of this Announcement, Next Fifteen reserves the right to make an equivalent reduction in the terms of the Acquisition.

Background to and reasons for the Acquisition

The Board of Next Fifteen believes the Acquisition has strong strategic and financial rationale. This is a highly compelling opportunity to combine Next Fifteen and M&C Saatchi and establish a truly global platform in the digital marketing and consulting sectors, a platform that leverages top-flight creativity, technology, data, business consulting and digital marketing to deliver meaningful change for the enlarged client base. Next Fifteen's four segments, Customer Insight, Customer Engagement, Customer Delivery and Business Transformation, represent a £1 trillion revenue global market opportunity.

Next Fifteen's vision is to build a growth consultancy that combines specialist capabilities with global scale. The Board of Next Fifteen believes that the successful business models for the foreseeable future will be purpose-driven, driving meaningful change, and that creativity will be a key differentiator in creating and delivering them. The Board of Next Fifteen believes that this creates a viable alternative for customers not well served by the big four consulting and marketing services groups.

A combination bringing together highly complementary strengths and strategies

- Next Fifteen's and M&C Saatchi's geographic presences are highly complementary. The Enlarged Group is expected to be a leading player with strong brands in countries across the globe, including the US, UK, Asia and Australia. This diversifies and expands Next Fifteen's and M&C Saatchi's existing exposure to attractive end-markets with favourable long-term growth trends and strong industry fundamentals.
- Loyal, blue-chip clients with minimal overlap bringing together a diversified, high-quality group of international customers.
- M&C Saatchi's expertise in the public sector, in both the UK and particularly the US, would add a new dimension to Next Fifteen's service offering and marketing position.
- Next Fifteen's in-house data analytics capability could be immediately leveraged across the Enlarged Group to create significant new client opportunities.
- Investments in data and technology would be applied to a much larger platform and client base.

Expected to be an earnings accretive transaction creating a business of significant global scale

- Expected to be immediately and materially earnings enhancing, with the potential to unlock significant synergies.
- The Enlarged Group would be characterised by attractive margins and a highly cash generative financial profile.
- Strong balance sheet to be maintained.

Bringing together two highly talented organisations led by experienced senior management teams

- Next Fifteen's and M&C Saatchi's teams have an established track record for service delivery, innovation and creativity.
- The Enlarged Group would provide further opportunities for M&C Saatchi and Next Fifteen to continue to hire and retain the best talent.

Significant benefits for clients across the Enlarged Group

- The combination would enable clients to benefit from a broader suite of relevant and complementary capabilities across the globe.
- Clients would benefit from access to the combined talent of the Enlarged Group.

Financing

The cash consideration payable under the Acquisition is approximately £50.2 million on a fully diluted basis. Next Fifteen has entered into an amendment and restatement agreement, amending and restating an existing facility agreement with its current banks, HSBC and Bank of Ireland on 20

May 2022 (the existing facility agreement as amended and restated being the "**Restated Facilities Agreement**"). The total amount available under the Restated Facilities Agreement is £150 million, an increase of £70 million. As at 31 January 2022, Next Fifteen had net cash of £35.7 million and as at 31 December 2021, M&C Saatchi had net cash of £34.4 million.

Smith Square Partners, financial adviser to Next Fifteen, is satisfied that sufficient resources are available to Next Fifteen to enable it to satisfy, in full, the cash consideration payable to M&C Saatchi Shareholders under the terms of the Acquisition.

Current trading

Next Fifteen

Next Fifteen released its final results for the year ended 31 January 2022 on 5 April 2022, which included the following information in relation to its current trading and outlook:

- *"Next Fifteen has made a strong start to the new financial year with a continuation of the trends and performance seen in Q4 and we are pleased to report that we expect to deliver another year of strong organic revenue growth"*
- *"The acquisition of Engine and the major contract win by Mach49 gives the group further confidence in another year of significant progress"*

Overall, revenue growth has continued to be strong, helped by the strength of the US dollar. For the three-month period to 30 April 2022, the Next Fifteen Group's total revenues increased by approximately 68 per cent. compared with the same period last year, to £130 million, with organic revenue growth of approximately 37 per cent. Adjusted profit before tax for the same three-month period to 30 April 2022 is also ahead of management expectations.

Performance has been strong across all four areas of the Next Fifteen Group, with each segment showing encouraging organic revenue growth of at least 15 per cent. in the three months to 30 April 2022. Next Fifteen's businesses in the US have been performing above expectations, the onboarding of Engine has been progressing well and the new Mach49 contract, announced on 23 February 2022, is off to an encouraging start.

M&C Saatchi

On 29 April 2022, M&C Saatchi announced its record results for the year ended 31 December 2021 (FY21). It also reported strong momentum into 2022 and forecast headline profit before tax expected to be in the region of £31.0 million and £41.0 million for the years ending 31 December 2022 and 2023 respectively. Further details are included in the paragraph entitled "Background to and reasons for the M&C Saatchi Independent Directors' recommendation" of this Announcement.

Unanimous recommendations and irrevocable undertakings

The M&C Saatchi Independent Directors, who have been so advised by Numis and Liberum as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their financial advice to the M&C Saatchi Independent Directors, Numis and Liberum have taken into account the commercial assessments of the M&C Saatchi Independent Directors. Liberum is providing independent financial advice to the M&C Saatchi Independent Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the M&C Saatchi Independent Directors intend unanimously to recommend that M&C Saatchi Shareholders vote in favour of the Scheme at the M&C Saatchi Court Meeting and the resolutions relating to the Acquisition at the M&C Saatchi General Meeting (or in the event that the Acquisition is implemented by way of an Offer, to accept or procure acceptance of such Offer) as the M&C Saatchi Independent Directors who hold M&C Saatchi Shares have irrevocably undertaken to do or procure in respect of their own beneficial holdings of 752,627 M&C Saatchi Shares in aggregate and representing approximately 0.6 per cent. of M&C Saatchi's issued share capital on the Last Practicable Date. Further details of these irrevocable undertakings are set out in Appendix 3 to this Announcement. Next Fifteen intends to engage with M&C Saatchi Shareholders in the coming days to seek their support for the Acquisition.

Next Fifteen will be required to seek the approval of Next Fifteen Shareholders at the Next Fifteen General Meeting to issue the New Next Fifteen Shares. As such, the Acquisition will be conditional on the approval of Next Fifteen Shareholders of the issuance of the New Next Fifteen Shares at the Next Fifteen General Meeting. The Next Fifteen Directors consider the Acquisition to be in the best interests of Next Fifteen and the Next Fifteen Shareholders as a whole and intend unanimously to recommend that Next Fifteen Shareholders vote in favour of the resolution(s) to be proposed at the Next Fifteen General Meeting, as those of them who hold Next Fifteen Shares have irrevocably undertaken to do, or procure, in respect of their own beneficial holdings of 5,471,416 Next Fifteen Shares representing, in aggregate, approximately 5.6 per cent. of Next Fifteen's ordinary share capital in issue on the Last Practicable Date.

Transaction structure and timetable

It is intended that the Acquisition will be implemented by way of a court sanctioned scheme of arrangement between M&C Saatchi and the M&C Saatchi Shareholders under Part 26 of the Companies Act 2006, further details of which are contained in the full text of this Announcement and which will be set out in the Scheme Document. However, Next Fifteen reserves the right, with the consent of the Panel and in accordance with the terms of the Cooperation Agreement, to implement the Acquisition by way of a takeover offer (as defined in Part 28 of the Companies Act 2006).

The Acquisition will be subject to the Conditions and certain further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document, including the approval of the Scheme by the Scheme Shareholders, the sanction of the Scheme by the Court and the approval of Next Fifteen Shareholders. The Conditions include those relating to UK CMA merger control approval, and regulatory approvals under the UK NSIA, the US CFIUS regime and the Australian foreign investment regulatory framework as further described in Part A of Appendix 1 to this Announcement.

The Scheme Document will include full details of the Scheme, together with notices of the M&C Saatchi Court Meeting and the M&C Saatchi General Meeting and the expected timetable, and will specify the action to be taken by Scheme Shareholders. It is expected that the Scheme Document will be despatched to M&C Saatchi Shareholders in June 2022 and, in any event, within 28 days of this Announcement unless otherwise agreed by the Panel.

The Scheme is expected to become effective in the second half of 2022, subject to the satisfaction or waiver of the Conditions and certain further terms set out in Appendix 1 to this Announcement.

Commenting on the Acquisition, Tim Dyson, CEO of Next Fifteen said:

"This is an exciting opportunity to bring together two highly complementary businesses creating a truly global and diversified group with exceptional capabilities, clients and talent. Bringing M&C Saatchi into the Next Fifteen group provides us with a step change in our scale and global reach, and an enhanced ability to offer digitally driven solutions to growth-minded organisations. M&C Saatchi is synonymous with creativity and strategy, whereas Next Fifteen has built a reputation around its technology and data driven offering. This makes for a great combination, and we are confident we can accelerate the ambitions of both businesses, creating significant value for our clients, our people and our shareholders."

Commenting on the Acquisition, Moray MacLennan, CEO of M&C Saatchi said:

"This merger will be a powerful accelerator for M&C Saatchi. Through connecting with Next Fifteen capabilities and companies, our ability to deliver Meaningful Change for existing and new clients will be deepened and broadened, turbo charging our next phase of growth."

Commenting on the Acquisition, Gareth Davis, Chair of M&C Saatchi said:

"The M&C Saatchi Independent Directors are pleased to unanimously recommend this alternative, more attractive offer which we are confident is in the best interests of M&C Saatchi Shareholders and M&C Saatchi's other key stakeholders. The recommended cash and share acquisition from Next Fifteen implies a value for M&C Saatchi that represents a significant premium to recent trading levels and provides M&C Saatchi Shareholders with an opportunity to crystallise value and to benefit from the potential future upside of the Enlarged Group. The M&C Saatchi Independent Directors all consider Next Fifteen's offer to be far superior to the offer announced earlier this week by ADV, and a clear repudiation of ADV's response statement that it strongly disagreed its bid undervalued M&C Saatchi."

Analyst presentation

Next Fifteen will host a presentation for analysts and investors at 8am today. If you would like to participate in this conference call, please contact Robert Collett-Creedy on +44 20 3128 8147 or next15@mhpc.com.

This summary should be read in conjunction with the full text of this Announcement and the Appendices.

The Acquisition will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 contains the sources and bases of certain information used in this summary and this Announcement. Appendix 3 contains details of the irrevocable undertakings received in relation to the Acquisition that are referred to in this Announcement. Appendix 4 contains the details of the M&C Saatchi Profit Forecast. Appendix 5 contains definitions of certain terms used in this summary and this Announcement.

For the purposes of Rule 28 of the Takeover Code, the profit forecast contained in this Announcement is the responsibility of M&C Saatchi and the M&C Saatchi Independent Directors. Appendix 4 sets out the M&C Saatchi Profit Forecast and provides underlying information and bases of belief. Appendix 4 also includes reports from M&C Saatchi's reporting accountant BDO, and its joint financial advisers, Numis and Liberum, in connection with the M&C Saatchi Profit Forecast, as required pursuant to Rule 28 of the Takeover Code, and provides underlying information and bases for the accountant's and advisers' respective reports. Each of BDO, Numis and Liberum has given and not withdrawn its consent to the publication of its report in this Announcement in the form and context in which it is included.

Enquiries:

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Ashurst LLP is acting as legal adviser to Next Fifteen and CMS Cameron McKenna Nabarro Olswang LLP is acting as legal adviser to M&C Saatchi in connection with the Acquisition.

Further information

This Announcement is for information purposes only and is not intended to and does not constitute or form part of an offer, invitation or the solicitation of an offer or invitation to purchase, or otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise nor shall there be any sale, issuance or transfer of securities of Next Fifteen or M&C Saatchi pursuant to the Acquisition in any jurisdiction in contravention of applicable laws. The Acquisition will be implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Acquisition is to be implemented by means of an Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition should be made on the basis of the information contained in the Scheme Document.

Next Fifteen will prepare the Next Fifteen Circular to be distributed to Next Fifteen Shareholders. M&C Saatchi and Next Fifteen urge M&C Saatchi Shareholders to read the Scheme Document carefully when it becomes available because it will contain important information in relation to the Acquisition, the New Next Fifteen Shares and the Enlarged Group. Next Fifteen urges Next Fifteen Shareholders to read the Next Fifteen Circular carefully when it becomes available. Any vote in respect of resolutions to be proposed at the M&C Saatchi Meetings or the Next Fifteen General Meeting to approve the Acquisition, the Scheme or related matters, should be made only on the basis of the information contained in the Scheme Document (in the case of the M&C Saatchi Shareholders), and the Next Fifteen Circular (in the case of Next Fifteen Shareholders).

This Announcement does not constitute a prospectus or prospectus equivalent document.

Information relating to M&C Saatchi Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by M&C Saatchi Shareholders, persons with information rights and other relevant persons for the receipt of communications from M&C Saatchi may be provided to Next Fifteen during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code.

Overseas jurisdictions

The release, publication or distribution of this Announcement in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their M&C Saatchi Shares with respect to the Scheme at the M&C Saatchi Court Meeting, or to execute and deliver forms of proxy appointing another to vote at the M&C Saatchi Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by Next Fifteen or required by the Takeover Code, and permitted by applicable law and regulation, the availability of New Next Fifteen Shares to be issued pursuant to the Acquisition to M&C Saatchi Shareholders will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction, and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such documents in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

The availability of New Next Fifteen Shares pursuant to the Acquisition to M&C Saatchi Shareholders who are not resident in the United Kingdom or the ability of those persons to hold such shares may be affected by the laws or regulatory requirements of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and

observe, any applicable legal or regulatory requirements. M&C Saatchi Shareholders who are in doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

Further details in relation to M&C Saatchi Shareholders in overseas jurisdictions will be contained in the Scheme Document.

The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

Additional information for US Investors

The Acquisition relates to the shares of a company incorporated in England and Wales and is proposed to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006 that will be governed by the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. If, in the future, Next Fifteen exercises the right to implement the Acquisition by way of an Offer and determines to extend the Offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations.

Financial information included in this Announcement and the Scheme Documentation has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for US holders of M&C Saatchi Shares to enforce their rights and any claim arising out of the US federal laws, since M&C Saatchi and Next Fifteen are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of M&C Saatchi Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

The New Next Fifteen Shares to be issued pursuant to the Scheme have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the US Securities Act and such other laws. The Acquisition is intended to be carried out under a scheme of arrangement under Part 26 of the Companies Act 2006 (which requires the approval of the Scheme Shareholders). If so, it is expected that any New Next Fifteen Shares to be issued pursuant to the Scheme to M&C Saatchi Shareholders will be issued in reliance upon the exemption from the registration requirements of the US Securities Act, provided by Section 3(a)(10) thereof. The New Next Fifteen Shares issued pursuant to the Scheme will not be registered under any US state securities laws and may only be issued to persons resident in a state pursuant to an exemption from the registration requirements of the securities laws of such state.

Important notices relating to financial advisers

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 Fifteen as nominated adviser and broker and no one else in connection with the Acquisition and will not be responsible to anyone other than M&C Saatchi or Next Fifteen for providing the protections afforded to clients of Numis nor for providing advice in relation to the Acquisition 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.

Liberum Capital Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for M&C Saatchi as nominated adviser and broker and no one else in connection with the Acquisition and will not be responsible to anyone other than M&C Saatchi for providing the protections afforded to clients of Liberum Capital Limited nor for providing advice in relation to the Acquisition or any other matters referred to in this Announcement. Neither Liberum Capital Limited 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 Liberum Capital Limited in connection with this Announcement, any statement contained herein or otherwise.

Smith Square Partners LLP, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Next Fifteen and no one else in connection with the Acquisition and other matters set out in this Announcement and will not be responsible to anyone other than Next Fifteen for providing the protections afforded to clients of Smith Square Partners, or for providing advice in connection with the Acquisition or any matter referred to herein. Neither Smith Square Partners 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 Smith Square Partners in connection with this Announcement, any statement contained herein or otherwise.

Joh. Berenberg, Gossler & Co. KG, London Branch ("**Berenberg**"), which is authorised and regulated by the German Federal Financial Supervisory Authority (BaFin) and is deemed authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Next Fifteen and no one else in connection with the Acquisition and other matters set out in this Announcement and will not be responsible to anyone other than Next Fifteen for providing the protections afforded to clients of Berenberg, or for providing advice in connection with the Acquisition or any matter referred to herein. Neither Berenberg 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 Berenberg in connection with this Announcement, any statement contained herein or otherwise.

Cautionary note regarding forward looking statements

This Announcement (including information incorporated by reference into this Announcement), oral statements regarding the Acquisition and other information published by Next Fifteen and M&C Saatchi contain certain forward looking statements with respect to the financial condition, strategies, objectives, results of operations and businesses of Next Fifteen and M&C Saatchi and their respective groups and certain plans and objectives with respect to the Enlarged Group. These forward looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Next Fifteen and M&C Saatchi about future events, and are therefore subject to risks and uncertainties which could

cause actual results to differ materially from the future results expressed or implied by the forward looking statements. The forward looking statements contained in this Announcement include statements relating to the expected effects of the Acquisition on Next Fifteen and M&C Saatchi, the expected timing and scope of the Acquisition and other statements other than historical facts. Forward looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by Next Fifteen, and/or M&C Saatchi in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward looking statements. Although it is believed that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and readers are therefore cautioned not to place undue reliance on these forward looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business acquisitions or dispositions. For a discussion of important factors which could cause actual results to differ from forward looking statements in relation to the Next Fifteen Group or the M&C Saatchi Group, refer to the annual report and accounts of the Next Fifteen Group for the financial year ended 31 January 2022 and of the M&C Saatchi Group for the financial year ended 31 December 2021, respectively.

Each forward looking statement speaks only as at the date of this Announcement. Neither Next Fifteen nor M&C Saatchi, nor their respective groups assumes any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Right to switch to a Takeover Offer

Next Fifteen reserves the right, subject to the terms of the Cooperation Agreement and with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer for M&C Saatchi Shares rather than the Scheme. In such event, such Takeover Offer will (unless otherwise required by the Panel) be implemented on the same terms, as far as applicable, as those which would apply to the Scheme and subject to the amendments referred to in Part C of Appendix 1 to this Announcement.

No profit forecasts or estimates

Other than the FY22 and FY23 Profit Forecasts, which are referred to in Paragraph 5 entitled "Background to and reasons for the M&C Saatchi Independent Directors' recommendation" and set out in Appendix 4 of this Announcement, no statement in this Announcement (including any statement of estimated synergies) is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share or dividend per share for Next Fifteen, M&C Saatchi or the Enlarged Group, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for Next Fifteen, M&C Saatchi or the Enlarged Group as appropriate.

Dealing and Opening Position Disclosure requirements

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. 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 Takeover Code, any person who is, or becomes, interested in one per cent. 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 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 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.

Rule 2.9 disclosures

In accordance with Rule 2.9 of the Takeover Code, Next Fifteen confirms that as at the close of business on the Last Practicable Date its issued share capital consisted of 97,960,557 ordinary shares of 2.5 pence each (excluding shares held in treasury). The International Securities Identification Number ("ISIN") for Next Fifteen's ordinary shares is GB0030026057.

In accordance with Rule 2.9 of the Takeover Code, M&C Saatchi confirms that as at close of business on the Last Practicable Date its issued share capital consisted of 122,743,435 M&C Saatchi Shares with 485,970 M&C Saatchi Shares held in treasury. The total number of voting rights in M&C Saatchi is therefore 122,257,465. The ISIN for M&C Saatchi Shares is GB00B01F7T14.

Publication on website and availability of hard copies

A copy of this Announcement is and will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Next Fifteen's website www.next15.com/investors/ and on M&C Saatchi's website www.mcsaatchiplc.com by no later than 12 noon (London time) on the Business Day following this Announcement. For the avoidance of doubt, the contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.

Next Fifteen Shareholders may request a hard copy of this Announcement by contacting Next Fifteen's registrars, Link Group, 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. From overseas please call +44 (0)371 664 0300. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m. Monday to Friday excluding public holidays in England and Wales.

M&C Saatchi Shareholders and persons with information rights may request a hard copy of this Announcement by contacting M&C Saatchi's registrars, Computershare Investor Services PLC during business hours on 0370 889 4044 (or if calling from outside the UK +44 (0)370 889 4044) or by submitting a request in writing at The Pavilions, Bridgwater Road, Bristol BS13 8AE. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09.00 - 17.30, Monday to Friday (excluding public holidays in England and Wales).

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART,
IN OR INTO ANY RESTRICTED JURISDICTION WHERE TO DO SO WOULD
CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH
JURISDICTION.**

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

FOR IMMEDIATE RELEASE.

20 May 2022

RECOMMENDED CASH AND SHARE ACQUISITION

OF

M&C SAATCHI PLC

BY

NEXT FIFTEEN COMMUNICATIONS GROUP PLC

**TO BE EFFECTED BY MEANS OF A SCHEME OF ARRANGEMENT UNDER PART 26 OF
THE COMPANIES ACT 2006**

1. Introduction

The Board of Next Fifteen and the M&C Saatchi Independent Directors are pleased to announce that they have reached agreement on the terms of a recommended cash and share acquisition by which the entire issued and to be issued ordinary share capital of M&C Saatchi will be acquired by Next Fifteen, to be effected by means of a court sanctioned scheme of arrangement between M&C Saatchi and the M&C Saatchi Shareholders under Part 26 of the Companies Act 2006 (the "**Acquisition**").

2. The Acquisition

Under the terms of the Acquisition, which will be subject to the Conditions and other terms set out in this Announcement and to the full terms and conditions which will be set out in the Scheme Document, M&C Saatchi Shareholders will be entitled to receive:

For each M&C Saatchi Share: 0.1637 of a New Next Fifteen Share

And

40 pence in cash

The Acquisition values each M&C Saatchi share at 247.2 pence (the "**Acquisition Price**") and the entire issued and to be issued ordinary share capital of M&C Saatchi at approximately £310.1 million on a fully diluted basis (the "**Acquisition Value**") based on the Closing Price per Next Fifteen Share on the Last Practicable Date of 1,266.0 pence.

The Acquisition Price represents a premium of approximately:

- 49.8 per cent. to the Closing Price of 165.0 pence per M&C Saatchi Share on the Last Practicable Date;
- 47.6 per cent. to the Closing Price of 167.5 pence per M&C Saatchi Share on 4 January 2022, being the last Business Day prior to ADV's announcement of its acquisition of a minority stake in M&C Saatchi;
- 41.1 per cent. to the average Closing Price per M&C Saatchi Share of 175.2 pence in the 3 months prior to and including the Last Practicable Date;
- 53.6 per cent. to the average Closing Price per M&C Saatchi Share of 160.9 pence in the 3 months prior to and including 4 January 2022;
- 19.1 per cent. to the ADV All Share Offer of 2.530 ADV Shares per M&C Saatchi Share based on the ADV Closing Price of 82.0 pence on 16 May 2022, being the last Business Day prior to the date of ADV's announcement of its firm offer; and
- 19.1 per cent. to the ADV Cash and Shares Offer of 2.043 ADV Shares and 40 pence in cash per M&C Saatchi Share, based on the ADV Closing Price of 82.0 pence on 16 May 2022, being the last Business Day prior to the date of ADV's announcement of its firm offer.

The Acquisition Value represents:

- a multiple of 10.0 times M&C Saatchi's forecast headline profit before tax for the 12 months to 31 December 2022, expected to be in the region of £31.0 million; and
- a multiple of 7.6 times M&C Saatchi's forecast headline profit before tax for the 12 months to 31 December 2023, expected to be in the region of £41.0 million.

Following completion of the Acquisition, M&C Saatchi Shareholders will own approximately 17.3 per cent. of the Enlarged Group on a fully diluted basis.

The M&C Saatchi Independent Directors are recommending the terms of the Acquisition and consider it superior to the terms of the ADV Offer which they have unanimously rejected. Accordingly the M&C Saatchi Independent Directors urge M&C Saatchi Shareholders to take no action in respect of the ADV Offer.

If M&C Saatchi announces, declares or pays any dividend or any other distribution to M&C Saatchi Shareholders on or after the date of this Announcement, Next Fifteen reserves the right to make an equivalent reduction in the terms of the Acquisition.

The New Next Fifteen Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Next Fifteen Shares in issue at the time the New Next Fifteen Shares are issued pursuant to the Acquisition, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date. Applications will be made to the London Stock Exchange for the New Next Fifteen Shares to be admitted to trading on AIM.

In the event that the Acquisition is to be implemented by way of a takeover offer (as defined in Part 28 of the Companies Act 2006), the M&C Saatchi Shares will be acquired pursuant to the Offer fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto.

3. **Background to and reasons for the Acquisition**

The Board of Next Fifteen believes the Acquisition has strong strategic and financial rationale. This is a highly compelling opportunity to combine Next Fifteen and M&C Saatchi and establish a truly global platform in the digital marketing and consulting sectors, a platform that leverages top-flight creativity, technology, data, business consulting and digital marketing to deliver meaningful change for the enlarged client base. Next Fifteen's four segments, Customer Insight, Customer Engagement, Customer Delivery and Business Transformation, represent a £1 trillion revenue global market opportunity.

Next Fifteen's vision is to build a growth consultancy that combines specialist capabilities with global scale. The Board of Next Fifteen believes that the successful business models for the foreseeable future will be purpose-driven, driving meaningful change, and that creativity will be a key differentiator in creating and delivering them. The Board of Next Fifteen believes that this creates a viable alternative for customers not well served by the big four consulting and marketing services groups.

A combination bringing together highly complementary strengths and strategies

- Next Fifteen's and M&C Saatchi's geographic presences are highly complementary. The Enlarged Group is expected to be a leading player with strong brands in countries across the globe, including the US, UK, Asia and Australia. This diversifies and expands Next Fifteen's and M&C Saatchi's existing exposure to attractive end-markets with favourable long-term growth trends and strong industry fundamentals.
- Loyal, blue-chip clients with minimal overlap bringing together a diversified, high-quality group of international customers.
- M&C Saatchi's expertise in the public sector, in both the UK and particularly

the US, would add a new dimension to Next Fifteen's service offering and marketing position.

- Next Fifteen's in-house data analytics capability could be immediately leveraged across the Enlarged Group to create significant new client opportunities.
- Investments in data and technology would be applied to a much larger platform and client base.

Expected to be an earnings accretive transaction creating a business of significant global scale

- Expected to be immediately and materially earnings enhancing, with the potential to unlock significant synergies.
- The Enlarged Group would be characterised by attractive margins and a highly cash generative financial profile.
- Strong balance sheet to be maintained.

Bringing together two highly talented organisations led by experienced senior management teams

- Next Fifteen's and M&C Saatchi's teams have an established track record for service delivery, innovation and creativity.
- The Enlarged Group would provide further opportunities for M&C Saatchi and Next Fifteen to continue to hire and retain the best talent.

Significant benefits for clients across the Enlarged Group

- The combination would enable clients to benefit from a broader suite of relevant and complementary capabilities across the globe.
- Clients would benefit from access to the combined talent of the Enlarged Group.

4. **Unanimous recommendations**

Unanimous recommendation of the M&C Saatchi Independent Directors

The M&C Saatchi Independent Directors, who have been so advised by Numis and Liberum as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their financial advice to the M&C Saatchi Independent Directors, Numis and Liberum have taken into account the commercial assessments of the M&C Saatchi Independent Directors. Liberum is providing independent financial advice to the M&C Saatchi Independent Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the M&C Saatchi Independent Directors intend unanimously to recommend that M&C Saatchi Shareholders vote in favour of the Scheme at the M&C Saatchi Court Meeting and the resolutions relating to the Acquisition at the M&C Saatchi General Meeting (or in the event that the Acquisition is implemented by way of an Offer, to accept or procure acceptance of such Offer) as the M&C Saatchi Independent Directors who hold M&C Saatchi Shares have irrevocably undertaken to do or procure in respect of their own beneficial holdings of 752,627 M&C Saatchi Shares in aggregate and representing approximately 0.6 per cent. of M&C Saatchi's issued share capital on the Last Practicable Date. Further details of these irrevocable undertakings are set out in Appendix 3 to this Announcement.

Unanimous recommendation of the Board of Next Fifteen

Next Fifteen will be required to seek the approval of the Next Fifteen Shareholders at the Next Fifteen General Meeting to issue the New Next Fifteen Shares. As such the Acquisition will be conditional on the approval of the Next Fifteen Shareholders of the issuance of the New Next Fifteen Shares at the Next Fifteen General Meeting. The Next Fifteen Directors consider the Acquisition to be in the best interests of Next Fifteen and the Next Fifteen Shareholders as a whole and intend unanimously to recommend that Next Fifteen Shareholders vote in favour of the resolution to be proposed at the Next Fifteen General Meeting which will be convened in connection with the Acquisition, as they have irrevocably undertaken to do, or procure, in respect of their own beneficial holdings of 5,471,416 Next Fifteen Shares representing, in aggregate, approximately 5.6 per cent. of Next Fifteen's ordinary share capital in issue on the Last Practicable Date.

Further details of the irrevocable undertakings are set out in Appendix 3 to this Announcement.

5. **Background to and reasons for the M&C Saatchi Independent Directors' recommendation**

At its Capital Markets Day in January 2021, the new leadership team at M&C Saatchi set out its strategy and operating model alongside medium-term financial targets. This customer-focused strategy sought to address changing client needs whilst improving operational efficiency and simplifying the M&C Saatchi business into five specialist divisions. The strategy was designed to enhance M&C Saatchi's proven expertise in providing digital and connected marketing solutions to its clients globally.

In the period since, M&C Saatchi has delivered a strong trading performance resulting in eight positive trading updates reflecting new client wins and contracts alongside the delivery of operational efficiencies.

On 29 April 2022, M&C Saatchi announced its audited results for the year ended 31 December 2021 which demonstrated an exceptional turnaround, including record headline operating profit. Highlights for the period included:

- 2021 net revenue growth of 10.6 per cent. Like-for-like growth of 15.1 per cent.
- Record 2021 Headline operating profit £31.1 million (2020: £12.0 million), ahead of expectations, reflecting strong new business and

deepening client relationships.

- 2021 Headline operating profit margin 12.5 per cent. (2020: 5.3 per cent.).
- Net cash £34.4 million (2020: £32.7 million). Borrowings reduced to £20.6 million (2020: £29.6 million).
- New client wins and deepened relationships: Google, Uber, WHOOP, Gorillas, PepsiCo, TikTok and Mondelez.
- Over 50 creative awards won in 2021 and a record number of effectiveness awards.

The M&C Saatchi Independent Directors believe that this consistently robust financial performance through 2021 demonstrates that M&C Saatchi's standalone strategy is delivering strong trading momentum supported by a positive market backdrop. In conjunction with the 2021 audited results, M&C Saatchi also announced that trading continued to be strong in the first quarter of 2022 and that headline profit before tax for the years ending 31 December 2022 and 31 December 2023 (together, the **"FY22 and FY23 Profit Forecasts"**) is expected to be in the region of £31.0 million and £41.0 million, respectively. The FY22 and FY23 Profit Forecasts are included at Appendix 4 of this Announcement. These forecasts are materially in excess of the M&C Saatchi Independent Directors' previous expectations and reflect M&C Saatchi's increasing momentum and the M&C Saatchi Independent Directors' strong confidence in the standalone future and prospects of M&C Saatchi.

As previously announced by M&C Saatchi on 6 January 2022, M&C Saatchi received a preliminary approach from ADV and since then the M&C Saatchi Independent Directors received three unsolicited conditional proposals from ADV. The M&C Saatchi Independent Directors considered that each of the unsolicited conditional proposals undervalued M&C Saatchi and its prospects and was therefore not recommendable. In addition, the M&C Saatchi Independent Directors believed that the proposal from ADV immediately transferred value from M&C Saatchi Shareholders to ADV Shareholders and did not recognise the fundamental growth potential of M&C Saatchi and its clients' needs. Furthermore, it lacked support from M&C Saatchi (at that time consisting of 19 individuals who lead the key business lines responsible for M&C Saatchi's revenue) presenting significant risk to talent and client base, and therefore future performance.

However, the M&C Saatchi Independent Directors, having consulted with M&C Saatchi's largest shareholders, agreed to engage with ADV in order that M&C Saatchi Shareholders had the opportunity to be presented with a firm proposal from ADV. On 17 May 2022, ADV announced its firm intention to make an offer for M&C Saatchi. Under the revised offer, M&C Saatchi Shareholders would receive 2.043 new ADV Shares and 40 pence in cash or 2.530 new ADV Shares implying a total value of 207.5 pence per M&C Saatchi Share based on the Closing price of an ADV Share of 82.0 pence on 16 May 2022. The M&C Saatchi Independent Directors, believing the revised offer significantly undervalues the business and prospects of M&C Saatchi, confirmed their unanimous and unequivocal rejection of ADV's revised offer.

In addition, and, alongside the discussions with ADV, the M&C Saatchi Independent Directors together with their financial advisers approached a limited number of parties with a view to soliciting an alternative, more attractive proposal that was in the best interests of M&C Saatchi Shareholders and M&C Saatchi's other key stakeholders. It is this process that has culminated in today's announcement by Next Fifteen of its firm intention to make an offer for M&C Saatchi, recommended by the M&C Saatchi Independent Directors.

The M&C Saatchi Independent Directors believe that a combination with Next Fifteen strengthens the M&C Saatchi proposition with a number of complementary product offerings and increased geographic reach, which will be for the benefit of M&C Saatchi stakeholders as a whole. Next Fifteen's and M&C Saatchi's geographic presence are highly complementary with strong brands in countries across the globe. In addition, both M&C Saatchi and Next Fifteen have distinct blue-chip client bases with the potential to expand and broaden the range of services offered as the Enlarged Group. The M&C Saatchi Independent Directors further believe that the Enlarged Group will be able to accelerate M&C Saatchi's ambitions across all business specialisms and geographies and that the M&C Saatchi Group will be able to benefit both from existing technology solutions within Next Fifteen and from further investment across a significantly expanded group to drive new opportunities and services.

The M&C Saatchi Independent Directors are also confident that there will be further revenue opportunities, as part of the Enlarged Group and from the execution of the M&C Saatchi strategy.

The M&C Saatchi Independent Directors believe that growth will increasingly come from cross-specialism and cross-border opportunities. In 2022 M&C Saatchi launched two new service offerings: sustainability communications (M&C Saatchi LIFE) and digital innovation (Thread), and it continues to deepen data capability by scaling its global data platform and consultancy. Next Fifteen has considerable expertise in these higher growth and margin services, which M&C Saatchi clients could benefit from. Additionally, Next Fifteen's strategy is also underpinned by its strong track record of acquiring selective, high-performance businesses, including most recently its largest acquisition to date of Engine UK in March 2022, instead of pursuing M&A driven by financial engineering.

There is also potential to drive further efficiencies through accelerating centralisation of group functions including IT, Finance and HR. Whilst the M&C Saatchi Independent Directors remain confident that M&C Saatchi's standalone strategy can deliver attractive returns for M&C Saatchi Shareholders as an independent company, they recognise that there are risks to, as well as uncertainty as to the timing and the delivery of, these returns.

The Acquisition provides M&C Saatchi Shareholders with the opportunity to benefit in the potential future upside of the Enlarged Group through the New Next Fifteen Share component and from increased liquidity as part of a larger group.

Furthermore, the offer of 0.1637 New Next Fifteen Shares for each M&C Saatchi Share and 40 pence in cash for each M&C Saatchi Share implies (based on the

Closing Price of a Next Fifteen Share on the Last Practicable Date) a total value of 247.2 pence per M&C Saatchi Share, representing a premium of approximately:

- 19.1 per cent. to the ADV All Share Offer of 2.530 ADV Shares per M&C Saatchi Share based on the ADV Closing Price of 82.0 pence on 16 May 2022, being the last Business Day prior to the date of ADV's announcement of its firm offer;
- 19.1 per cent. to the ADV Cash and Shares Offer of 2.043 ADV Shares and 40 pence in cash per M&C Saatchi Share, based on the ADV Closing Price of 82.0 pence on 16 May 2022, being the last Business Day prior to the date of ADV's announcement of its firm offer; and
- 47.6 per cent. to the Closing Price per M&C Saatchi Share of 167.5 pence on 4 January 2022 (being the last business day prior to the speculation in connection with the approach from ADV).

As a business with creativity at its core, M&C Saatchi's employees and M&C Saatchi's culture are central to its ongoing success and executing against its strategy. The M&C Saatchi Independent Directors recognise the strong support for the Acquisition from its Excom (consisting of 18 individuals who lead the key business lines responsible for M&C Saatchi's revenue), who have met with Next Fifteen and have expressed unanimous support for the Acquisition and the potential for the Acquisition to facilitate further growth across M&C Saatchi's specialisms.

Accordingly, following careful consideration, the M&C Saatchi Independent Directors unanimously intend to recommend M&C Saatchi Shareholders to vote in favour of the Scheme at the M&C Saatchi Court Meeting and resolutions relating to the Acquisition at the M&C Saatchi General Meeting, as the M&C Saatchi Independent Directors have irrevocably committed to do in respect of their M&C Saatchi Shares.

6. **Information relating to M&C Saatchi**

M&C Saatchi is a public limited company incorporated in England and Wales whose shares are admitted to the AIM market of the London Stock Exchange.

M&C Saatchi focuses on creative marketing, advertising and communications, connecting specialist expertise through data and technology to deliver meaningful change. Its multi-discipline offering ranges from demand creation using data analytics, brand strategy, experience and innovation, through to multi-channel creative communications involving advertising, sponsorship, brand reputation, personalisation, brand experience, talent and influencer management, and performance media. M&C Saatchi's customers include Adidas, The Commonwealth Bank of Australia, Costa Coffee, Heineken, Nando's, Optus, and UNICEF.

Delivering creative, strategic and data-led services across specialisms and global regions, the global interdisciplinary team blends cutting-edge data expertise with diverse thinking and creativity. This is done through M&C Saatchi's breadth of specialist marketing and communications talent and capabilities which stretch across the entire digital landscape and customer journey.

At its Capital Markets Day in January 2021, M&C Saatchi set out a new strategy and operating model alongside medium-term financial targets. This customer-focused strategy sought to address changing client needs whilst improving operational efficiency and simplifying the M&C Saatchi Group's business into five connected specialisms. The strategy was designed to enhance M&C Saatchi's proven reputation in providing digital and connected marketing solutions to capitalise on client demand.

The business now operates through five connected specialisms, all of which benefit from its "Central Fuel" which provides talent and capabilities in data and technology, digital innovation, sustainability and its "Growth Team". The five connected specialisms are:

- Advertising & CRM: Blending marketing science with creativity through earned, owned and paid-for content;
- Media & Performance: Connecting brands with digitally connected consumers;
- Global & Social Issues: Driving global and social change, protecting the planet and transforming lives for the better;
- Brand & Experience: Transforming businesses by unlocking existing and new growth opportunities; and
- Sponsorship & Talent: Connecting brands direct to consumers through passions and personalities.

7. **Information relating to Next Fifteen**

Next Fifteen is an AIM-traded tech and data-driven growth consultancy with operations in Europe, North America and across Asia Pacific. The Next Fifteen Group has a strong track record of creating and acquiring high-performance businesses. For acquired businesses it offers an opportunity to take advantage of the Next Fifteen Group's global operational infrastructure and centralised resources to accelerate their growth. The Next Fifteen Group has long-term customer relationships with many of the world's leading companies including Google, Amazon, Facebook, Microsoft, IBM, American Express, Procter & Gamble, Dell, Intuit and Salesforce.

The Next Fifteen Group operates across four segments, each of which describes how it helps customers grow in different ways: customer insight helps them understand their opportunities and challenges; customer engagement optimises their reputation and digital assets; customer delivery helps them connect with customers to drive sales; and business transformation helps maximise long-term value through corporate positioning, business design and the development of new ventures.

Next Fifteen's long-term strategy includes continuing to invest in: processes and systems to support its increasing scale; bolt-on acquisitions in the following

areas: eCommerce, paid media expansion data analytics, ABM, demand/lead generation and strategic consulting; and growth in APAC and EMEA.

8. **Current trading**

Next Fifteen

Next Fifteen released its final results for the year ended 31 January 2022 on 5 April 2022, which included the following statements in relation to its current trading and outlook:

- "Next Fifteen has made a strong start to the new financial year with a continuation of the trends and performance seen in Q4 and we are pleased to report that we expect to deliver another year of strong organic revenue growth.
- The acquisition of Engine and the major contract win by Mach49 gives the group further confidence in another year of significant progress."

Overall, revenue growth has continued to be strong, helped by the strength of the US dollar. For the three-month period to 30 April 2022, the Next Fifteen Group's total revenues increased by approximately 68 per cent. compared with the same period last year, to £130 million, with organic revenue growth of approximately 37 per cent. Adjusted profit before tax for the same three-month period to 30 April 2022 is also ahead of management expectations.

Performance has been strong across all four areas of the Next Fifteen Group, with each segment showing encouraging organic revenue growth of at least 15 per cent. in the three months to 30 April 2022. Next Fifteen's businesses in the US have been performing above expectations, the onboarding of Engine has been progressing well and the new Mach49 contract, announced on 23 February 2022, is off to an encouraging start.

M&C Saatchi

On 29 April 2022, M&C Saatchi announced its record results for the year ended 31 December 2021 (FY21). It also reported strong momentum into 2022 and forecast headline profit before tax expected to be in the region of £31.0 million and £41.0 million for the years ending 31 December 2022 and 2023 respectively. Further details are included in the paragraph entitled "Background to and reasons for the M&C Saatchi Independent Directors' recommendation" of this Announcement.

9. **Management, employees, branding and locations**

Next Fifteen's strategic plans for M&C Saatchi

Next Fifteen recognises that M&C Saatchi is a people based business and, as such, attaches great importance to retaining the skills, knowledge and expertise of M&C Saatchi's existing management and employees. Next Fifteen believes that M&C Saatchi's management and employees will be important to the success of, and will benefit from enhanced opportunities as part of, the Enlarged Group. Next Fifteen recognises the power and potential of the M&C Saatchi brand and the importance of investment in accelerating its growth. Most of the M&C Saatchi businesses will continue to operate under their existing brands, although a small number of M&C Saatchi and Next Fifteen brands may be combined in the future if the commercial case for doing so is compelling.

Next Fifteen and M&C Saatchi have had some initial, high level planning discussions regarding the integration of M&C Saatchi into the Enlarged Group. Next Fifteen intends to undertake a detailed evaluation of M&C Saatchi and its operations, to be completed within six months of the completion of the Acquisition, in order to develop a detailed integration plan. Preliminary analysis carried out by Next Fifteen to date has indicated the potential to maintain the existing operations of M&C Saatchi whilst realising some cost savings for the Enlarged Group through the removal of administrative costs associated with M&C Saatchi's current status as a listed company, which will cease to be required following completion of the Acquisition, and in areas where there is an overlap of function (for example head office and central functions). This may involve some limited headcount reduction, although no specific plans have been formulated by Next Fifteen to date and this will form part of the evaluation referred to above. The implementation of the detailed integration plan is not expected to have a material impact on the businesses of Next Fifteen.

The integration of the Next Fifteen and M&C Saatchi businesses will be led by an integration team comprised of key Next Fifteen and M&C Saatchi personnel.

Board, management and employees

Next Fifteen has given assurances to the M&C Saatchi Independent Directors that the existing contractual and statutory employment rights of M&C Saatchi's existing management and employees will be safeguarded in accordance with applicable law and that Next Fifteen does not envisage any material change in the conditions of employment of M&C Saatchi employees following the Scheme becoming effective.

Save in respect of the potential reductions in M&C Saatchi employee headcount referred to above, Next Fifteen does not intend to make any material change to the balance of skills and functions of M&C Saatchi Group employees and management.

M&C Saatchi does not operate any defined benefit pension schemes. Next Fifteen does not intend to make any changes to the benefits provided by M&C Saatchi's defined contribution pension schemes and intends for the employer to continue to make contributions in line with the current arrangements.

Next Fifteen is pleased to confirm that Moray MacLennan, M&C Saatchi's Chief Executive Officer, has agreed to remain in his role at M&C Saatchi within the Enlarged Group following the Effective Date. It is intended that all the non-executive directors of M&C Saatchi will cease to be directors of M&C Saatchi immediately following the Effective Date.

Management incentivisation arrangements

Next Fifteen has not entered into, and has not had discussions on proposals to enter into, any form of incentivisation arrangements with members of the M&C Saatchi Group's management, nor will it have any such discussions before completion of the Acquisition. It is Next Fifteen's intention to put in place appropriate management incentivisation arrangements following completion of the Acquisition.

Headquarters, locations and fixed assets

Subject to finalisation of its integration plans and evaluation of the M&C Saatchi Group following completion of the Acquisition, Next Fifteen confirms that it has no plans to (i) change the principal locations of M&C Saatchi's businesses, or (ii) redeploy any of M&C Saatchi's fixed assets. M&C Saatchi's head office in London will be maintained and Next Fifteen will continue to review the continuing property needs of the Enlarged Group as property leases approach the end of their terms. It is expected that the material M&C Saatchi leases which expire over the next twelve months will be renewed, with the exception of 15 Golden Square, London.

Trading facilities

The M&C Saatchi Shares are currently admitted to trading on AIM. As set out below, it is intended that an application will be made to the London Stock Exchange for the cancellation of the trading of the M&C Saatchi Shares on AIM, to take effect on or shortly after the Effective Date. As soon as practicable after that, it is intended that M&C Saatchi will be re-registered as a private limited company under the relevant provisions of the Companies Act.

No statements in this paragraph 9 constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

10. **Financing**

The cash consideration payable under the Acquisition is approximately £50.2 million on a fully diluted basis. Next Fifteen has entered into an amendment and restatement agreement, amending and restating an existing facility agreement with its current banks, HSBC and Bank of Ireland on 20 May 2022 (the existing facility agreement as amended and restated being the "**Restated Facilities Agreement**"). The total amount available under the Restated Facilities Agreement is £150 million, an increase of £70 million. As at 31 January 2022, Next Fifteen had net cash of £35.7 million and as at 31 December 2021, M&C Saatchi had net cash of £34.4 million.

Further details in respect of the Restated Facilities Agreement and these financing arrangements will be included in the Scheme Document.

Smith Square Partners, financial adviser to Next Fifteen, is satisfied that sufficient resources are available to Next Fifteen to enable it to satisfy, in full, the cash consideration payable to M&C Saatchi Shareholders under the terms of the Acquisition.

11. **Offer related Arrangements**

(a) **Confidentiality Agreements and Joint Defence Agreement**

Next Fifteen and M&C Saatchi have entered into a mutual non-disclosure agreement dated 24 March 2022 pursuant to which each of Next Fifteen and M&C Saatchi has undertaken, among other things, to keep certain information relating to the Acquisition and the other party confidential and not to disclose it to third parties (other than to permitted parties) unless required by law or regulation.

Next Fifteen and M&C Saatchi have also entered into a clean team confidentiality agreement dated 20 April 2022, which sets out how any confidential information that is competitively sensitive can be disclosed, used or shared.

In addition, Next Fifteen and M&C Saatchi have entered into a joint defence agreement dated 20 April 2022 to ensure that the exchange and/or disclosure of certain materials relating to the parties only takes place between their respective external regulatory counsel and external experts, and does not diminish in any way the confidentiality of such materials and does not result in a waiver of privilege, right or immunity that might otherwise be available.

(b) **Cooperation Agreement**

Next Fifteen and M&C Saatchi have entered into a cooperation agreement dated 20 May 2022 with respect to conduct of the Acquisition. Under the terms of the Cooperation Agreement, Next Fifteen and M&C Saatchi have agreed, among other things, that (in summary):

- (i) Next Fifteen and M&C Saatchi will co-operate with each other in order to assist in obtaining clearance from competition and other regulatory bodies in order to satisfy the Conditions relating to such clearances;
- (ii) Next Fifteen and M&C Saatchi will provide each other with certain information and assistance in the preparation of the Scheme Document and the Next Fifteen Circular;
- (iii) Next Fifteen will be subject to certain customary restrictions on the conduct of its business during the period prior to completion of the Acquisition, which prohibit, among other things: (a) the payment by Next Fifteen of dividends (other than in the ordinary course and consistent with past practice or by reference to a record date after the Effective Date); or (b) splitting, combining or reclassifying any of the Next Fifteen Shares or amending its memorandum or articles of association to adversely impact the New Next Fifteen Shares;
- (iv) M&C Saatchi intends to write to participants in the M&C Saatchi Share Schemes to inform them of the impact of the Scheme on their outstanding options under the M&C Saatchi Share Schemes; and

- (v) Next Fifteen and M&C Saatchi intend to implement the Acquisition by way of the Scheme, subject to the ability of Next Fifteen with the consent of the Panel, to proceed by way of an Offer in the circumstances described in paragraph 21 below.

12. Irrevocable undertakings

The M&C Saatchi Independent Directors have irrevocably undertaken to vote in favour of the Scheme in respect of their own beneficial holdings totalling 752,627 M&C Saatchi Shares, representing in aggregate approximately 0.6 per cent. of M&C Saatchi's issued share capital as at the Last Practicable Date.

Those Next Fifteen Directors who hold Next Fifteen Shares have irrevocably undertaken to vote in favour of the resolution to be proposed at the Next Fifteen General Meeting in respect of their own beneficial holdings totalling 5,471,416 Next Fifteen Shares, representing in aggregate approximately 5.6 per cent of Next Fifteen's issued share capital as at the Last Practicable Date.

Further details of the irrevocable undertakings are set out in Appendix 3 to this Announcement.

Next Fifteen intends to engage with M&C Saatchi Shareholders in the coming days to seek their support for the Acquisition.

13. Conditions and Scheme of Arrangement

Appendix 1 to this Announcement sets out the Conditions and further terms to which the Acquisition will be subject, including the approval of the Scheme by the Scheme Shareholders, the sanction of the Scheme by the Court and the approval of Next Fifteen Shareholders to the allotment and issue of the New Next Fifteen Shares. The Conditions include those relating to UK CMA merger control approval, and regulatory approvals under the UK NSIA, the US CFIUS regime and the Australian foreign investment regulatory framework as further described in Part A of Appendix 1 to this Announcement. The Scheme is expected to become effective in the second half of 2022, subject to the satisfaction or waiver of the Conditions and certain further terms set out in Appendix 1 to this Announcement.

It is intended that the Acquisition will be effected by a court sanctioned scheme of arrangement of M&C Saatchi, between M&C Saatchi and the M&C Saatchi Shareholders, under Part 26 of the Companies Act 2006.

Under the Scheme, the Scheme Shares held by Scheme Shareholders will be transferred to Next Fifteen in consideration for which Scheme Shareholders will receive the Consideration on the basis set out in paragraph 2 of this Announcement.

The Acquisition will be subject to the Conditions and further terms and conditions referred to in Appendix 1 to this Announcement and to be set out in the Scheme Document.

To become effective, the Scheme requires the approval of Scheme Shareholders by the passing of a resolution at the M&C Saatchi Court Meeting. The resolution must be approved by a majority in number of the Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders. In addition, a special resolution must be passed at the M&C Saatchi General Meeting to deal with certain ancillary matters, which requires the approval of M&C Saatchi Shareholders representing at least 75 per cent. of the votes cast at the M&C Saatchi General Meeting (either in person or by proxy). The M&C Saatchi General Meeting will be held immediately after the M&C Saatchi Court Meeting.

The M&C Saatchi Meetings are to be held no later than the 22nd day after the expected date of the M&C Saatchi Meetings to be set out in the Scheme Document in due course (or such later date as may be agreed between M&C Saatchi and Next Fifteen).

Following the M&C Saatchi Meetings, the Scheme must be sanctioned by the Court no later than the 22nd day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between M&C Saatchi and Next Fifteen). The Scheme will only become effective once a copy of the Scheme Court Order is delivered to the Registrar of Companies.

Upon the Scheme becoming effective, it will be binding on all M&C Saatchi Shareholders, irrespective of whether or not they attended or voted at the M&C Saatchi Meetings and the Consideration will be despatched by Next Fifteen to Scheme Shareholders no later than 14 days after the Effective Date.

The Scheme Document will include full details of the Scheme, together with notices of the M&C Saatchi Court Meeting and the M&C Saatchi General Meeting and the expected timetable, and will specify the action to be taken by Scheme Shareholders.

The Scheme will be governed by English law and will be subject to the jurisdiction of the Courts. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

14. Indicative timing

The timing of implementation of the Acquisition will be dependent upon a number of factors including the availability of the Court and receipt of merger control and regulatory approvals. However, it is expected that the posting of the Scheme Document and the Next Fifteen Circular will occur within 28 days of this Announcement unless otherwise agreed by the Panel. Subject to satisfaction or waiver of the relevant Conditions, the Scheme is expected to become effective in the second half of 2022.

15. Next Fifteen Shareholder approval

Next Fifteen will be required to seek the approval of Next Fifteen Shareholders at the Next Fifteen General Meeting to issue the New Next Fifteen Shares.

Next Fifteen will prepare and send to Next Fifteen Shareholders the Next Fifteen Circular, which will include a notice convening the Next Fifteen General Meeting. The Acquisition is conditional on, among other things, the Next Fifteen Resolution being passed by the requisite majority of Next Fifteen Shareholders at the Next Fifteen General Meeting.

It is expected that the Next Fifteen Circular will be posted to Next Fifteen Shareholders at the same time as the Scheme Document is posted to M&C Saatchi Shareholders.

16. Admission of New Next Fifteen Shares

Application will be made to the London Stock Exchange for the New Next Fifteen Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings for normal settlement in the New Next Fifteen Shares will commence at 8.00 am on the first Business Day following the Effective Date.

17. Cancellation of admission to trading and re-registration

It is intended that dealings in M&C Saatchi Shares should be suspended shortly prior to the Effective Date, at a time to be set out in the Scheme Document. It is further intended that an application will be made to the London Stock Exchange for the cancellation of the trading of the M&C Saatchi Shares on AIM, to take effect on or shortly after the Effective Date.

Share certificates in respect of the M&C Saatchi Shares will cease to be valid and should be destroyed on the first Business Day following the Effective Date.

In addition, entitlements held within the CREST system to the M&C Saatchi Shares will be cancelled on the first Business Day following the Effective Date.

18. Share Schemes

Participants in the M&C Saatchi Share Schemes and certain participants in the M&C Saatchi Put Option Schemes will be contacted regarding the effect of the Acquisition on their rights under these schemes and provided with further details concerning the proposals which will be made to them in due course. Details of the proposals will be set out in the Scheme Document or, as the case may be, the Offer Document and in separate letters to be sent to participants in the share schemes.

19. Disclosure of interests

- (a) As at the close of business on the Last Practicable Date, save for the irrevocable undertakings referred to in paragraph 4 above, neither Next Fifteen, nor any of the Next Fifteen Directors, nor, so far as Next Fifteen is aware, any person acting in concert (within the meaning of the Takeover Code) with Next Fifteen has:
- (i) any interest in, or right to subscribe for, any M&C Saatchi Shares nor does any such person have any short position in M&C Saatchi Shares, including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of M&C Saatchi Shares;
 - (ii) borrowed or lent any M&C Saatchi Shares or entered into any financial collateral arrangements relating to M&C Saatchi Shares; or
 - (iii) any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code in relation to M&C Saatchi Shares or in relation to securities convertible or exchangeable into M&C Saatchi Shares.

20. Documents available for inspection

Copies of the following documents will, by no later than 12 noon on 23 May 2022, be published on Next Fifteen's website at www.next15.com/investors/ and on M&C Saatchi's website at www.mcsaatchiplc.com:

- (a) this Announcement;
- (b) irrevocable undertakings listed in Appendix 3 to this Announcement;
- (c) the Confidentiality Agreement;
- (d) the Clean Team Agreement;
- (e) the Cooperation Agreement;
- (f) the Joint Defence Agreement;
- (g) the Restated Facilities Agreement;
- (h) consent letters from each of Numis, Liberum, BDO, Berenberg and Smith Square Partners.

21. General

Next Fifteen reserves the right, subject to the terms of the Cooperation Agreement and with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer for M&C Saatchi Shares rather than the Scheme. In such event, such Takeover Offer will (unless otherwise required by the Panel) be implemented on the same terms, as far as applicable, as those which would apply to the Scheme and subject to the amendments referred to in Part C of Appendix 1 to this Announcement.

If the Acquisition is effected by way of an Offer and such Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Next Fifteen intends to: (i) request the London Stock Exchange cancels trading in M&C Saatchi Shares on AIM; and (ii) exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act 2006 to acquire compulsorily the

remaining M&C Saatchi Shares in respect of which the Offer has not been accepted.

Each of Numis, Liberum, BDO, Berenberg and Smith Square Partners has given and not withdrawn their consent to the publication of this Announcement with the inclusion herein of references to their opinions and names in the form and context in which they are included.

Further information

This Announcement is for information purposes only and is not intended to and does not constitute or form part of an offer, invitation or the solicitation of an offer or invitation to purchase, or otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise nor shall there be any sale, issuance or transfer of securities of Next Fifteen or M&C Saatchi pursuant to the Acquisition in any jurisdiction in contravention of applicable laws. The Acquisition will be implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Acquisition is to be implemented by means of an Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition should be made on the basis of the information contained in the Scheme Document.

Next Fifteen will prepare the Next Fifteen Circular to be distributed to Next Fifteen Shareholders. M&C Saatchi and Next Fifteen urge M&C Saatchi Shareholders to read the Scheme Document carefully when it becomes available because it will contain important information in relation to the Acquisition, the New Next Fifteen Shares and the Enlarged Group. Next Fifteen urges Next Fifteen Shareholders to read the Next Fifteen Circular carefully when it becomes available. Any vote in respect of resolutions to be proposed at the M&C Saatchi Meetings or the Next Fifteen General Meeting to approve the Acquisition, the Scheme or related matters, should be made only on the basis of the information contained in the Scheme Document (in the case of the M&C Saatchi Shareholders), and the Next Fifteen Circular (in the case of the Next Fifteen Shareholders).

This Announcement does not constitute a prospectus or prospectus equivalent document.

Information relating to M&C Saatchi Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by M&C Saatchi Shareholders, persons with information rights and other relevant persons for the receipt of communications from M&C Saatchi may be provided to Next Fifteen during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code.

Overseas jurisdictions

The release, publication or distribution of this Announcement in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their M&C Saatchi Shares with respect to the Scheme at the M&C Saatchi Court Meeting, or to execute and deliver forms of proxy appointing another to vote at the M&C Saatchi Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by Next Fifteen or required by the Takeover Code, and permitted by applicable law and regulation, the availability of New Next Fifteen Shares to be issued pursuant to the Acquisition to M&C Saatchi Shareholders will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction, and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such documents in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

The availability of New Next Fifteen Shares pursuant to the Acquisition to M&C Saatchi Shareholders who are not resident in the United Kingdom or the ability of those persons to hold such shares may be affected by the laws or regulatory requirements of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements. M&C Saatchi Shareholders who are in doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

Further details in relation to M&C Saatchi Shareholders in overseas jurisdictions will be contained in the Scheme Document.

The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

Additional information for US investors

The Acquisition relates to the shares of a company incorporated in England and Wales and is proposed to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006 that will be governed by the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. If, in the future, Next Fifteen exercises the right to implement the Acquisition by way of an Offer and determines to extend the Offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations. Financial information included in this Announcement and the Scheme Documentation has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for US holders of M&C Saatchi Shares to enforce their rights and any claim arising out of the US federal laws, since M&C Saatchi and Next Fifteen are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of M&C Saatchi Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

The New Next Fifteen Shares to be issued pursuant to the Scheme have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the US Securities Act and such other laws. The Acquisition is intended to be carried out under a scheme of arrangement under Part 26 of the Companies Act 2006 (which requires the approval of the Scheme Shareholders). If so, it is expected that any New Next Fifteen Shares to be issued pursuant to the Scheme to M&C Saatchi Shareholders will be issued in reliance upon the exemption from the registration requirements of the US Securities Act, provided by Section 3(a)(10) thereof. The New Next Fifteen Shares issued pursuant to the Scheme will not be registered under any US state securities laws and may only be issued to persons resident in a state pursuant to an exemption from the registration requirements of the securities laws of such state.

Important notices relating to Financial Advisers

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 Fifteen as nominated adviser and broker and no one else in connection with the Acquisition and will not be responsible to anyone other than M&C Saatchi or Next Fifteen for providing the protections afforded to clients of Numis nor for providing advice in relation to the Acquisition 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.

Liberum Capital Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for M&C Saatchi as nominated adviser and broker and no one else in connection with the Acquisition and will not be responsible to anyone other than M&C Saatchi for providing the protections afforded to clients of Liberum Capital Limited nor for providing advice in relation to the Acquisition or any other matters referred to in this Announcement. Neither Liberum Capital Limited 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 Liberum Capital Limited in connection with this Announcement, any statement contained herein or otherwise.

Smith Square Partners LLP, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Next Fifteen and no one else in connection with the Acquisition and other matters set out in this Announcement and will not be responsible to anyone other than Next Fifteen for providing the protections afforded to clients of Smith Square Partners, or for providing advice in connection with the Acquisition or any matter referred to herein. Neither Smith Square Partners 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 Smith Square Partners in connection with this Announcement, any statement contained herein or otherwise.

Joh. Berenberg, Gossler & Co. KG, London Branch ("**Berenberg**"), which is authorised and regulated by the German Federal Financial Supervisory Authority (BaFin) and is deemed authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Next Fifteen and no one else in connection with the Acquisition and other matters set out in this Announcement and will not be responsible to anyone other than Next Fifteen for providing the protections afforded to clients of Berenberg, or for providing advice in connection with the Acquisition or any matter referred to herein. Neither Berenberg 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 Berenberg in connection with this Announcement, any statement contained herein or otherwise.

Cautionary note regarding forward looking statements

This Announcement (including information incorporated by reference into this Announcement), oral statements regarding the Acquisition and other information published by Next Fifteen and M&C Saatchi contain certain forward looking statements with respect to the financial condition, strategies, objectives, results of operations and businesses of Next Fifteen and M&C Saatchi and their respective groups and certain plans and objectives with respect to the Enlarged Group. These forward looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Next Fifteen and M&C Saatchi about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward looking statements. The forward looking statements contained in this Announcement include statements relating to the expected effects of the Acquisition on Next Fifteen and M&C Saatchi, the expected timing and scope of the Acquisition and other statements other than historical facts. Forward looking statements often use words

such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by Next Fifteen, and/or M&C Saatchi in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward looking statements. Although it is believed that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and readers are therefore cautioned not to place undue reliance on these forward looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business acquisitions or dispositions. For a discussion of important factors which could cause actual results to differ from forward looking statements in relation to the Next Fifteen Group or the M&C Saatchi Group, refer to the annual report and accounts of the Next Fifteen Group for the financial year ended 31 January 2022 and of the M&C Saatchi Group for the financial year ended 31 December 2021, respectively.

Each forward looking statement speaks only as at the date of this Announcement. Neither Next Fifteen nor M&C Saatchi, nor their respective groups assumes any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Right to switch to a Takeover Offer

Next Fifteen shall be entitled, subject to the terms of the Cooperation Agreement and with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer for M&C Saatchi Shares rather than the Scheme. In such event, such Takeover Offer will (unless otherwise required by the Panel) be implemented on the same terms, as far as applicable, as those which would apply to the Scheme and subject to the amendments referred to in Part C of Appendix 1 to this Announcement.

No profit forecasts or estimates

Other than the FY22 and FY23 Profit Forecasts, which are referred to in Paragraph 5 entitled "Background to and reasons for the M&C Saatchi Independent Directors' recommendation" and included in Appendix 4 of this Announcement, no statement in this Announcement (including any statement of estimated synergies) is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share or dividend per share for Next Fifteen, M&C Saatchi or the Enlarged Group, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for Next Fifteen, M&C Saatchi or the Enlarged Group as appropriate.

Rule 2.9 disclosures

In accordance with Rule 2.9 of the Takeover Code, Next Fifteen confirms that as at the close of business on the Last Practicable Date its issued share capital consisted of 97,960,557 ordinary shares of 2.5 pence each (excluding shares held in treasury). The International Securities Identification Number ("**ISIN**") for Next Fifteen's ordinary shares is GB0030026057.

In accordance with Rule 2.9 of the Takeover Code, M&C Saatchi confirms that as at close of business on the Last Practicable Date its issued share capital consisted of 122,743,435 M&C Saatchi Shares with 485,970 M&C Saatchi Shares held in treasury. The total number of voting rights in M&C Saatchi is therefore 122,257,465. The ISIN for M&C Saatchi Shares is GB00B01F7T14.

Dealing and Opening Position Disclosure requirements

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. 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 Takeover Code, any person who is, or becomes, interested in one per cent. 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 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 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 website and availability of hard copies

A copy of this Announcement is and will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Next Fifteen's website www.next15.com/investors/ and on M&C Saatchi's website www.mcsaatchiplc.com by no later than 12 noon (London time) on the Business Day following this Announcement. For the avoidance of doubt, the contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.

Next Fifteen Shareholders may request a hard copy of this Announcement by contacting Next Fifteen's registrars, Link Group, 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. From overseas please call +44 (0)371 664 0300. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m. Monday to Friday excluding public holidays in England and Wales.

M&C Saatchi Shareholders and persons with information rights may request a hard copy of this Announcement by contacting M&C Saatchi's registrars, Computershare Investor Services PLC during business hours on 0370 889 4044 (or if calling from outside the UK +44 (0)370 889 4044) or by submitting a request in writing at The Pavilions, Bridgwater Road, Bristol BS13 8AE. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9am - 5.30pm, Monday to Friday (excluding public holidays in England and Wales).

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

APPENDIX 1

CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE SCHEME AND THE ACQUISITION

Part A: Conditions to the Scheme and Acquisition

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Takeover Code, by no later than 11:59 p.m. on the Long Stop Date, or such later date (if any) as Next Fifteen and M&C Saatchi may agree, with the consent of the Panel, and the Court may allow.
2. **Conditions of the Scheme**
The Scheme will be conditional upon:
 - (a) its approval by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders (or the relevant class or classes thereof, if applicable) present and voting (and entitled to vote), whether in person or by proxy, at the M&C Saatchi Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting;
 - (b) all resolutions necessary to approve and implement the Scheme being duly passed by the requisite majority or majorities at the M&C Saatchi General Meeting or at any adjournment of that meeting;
 - (c) the M&C Saatchi Court Meeting and M&C Saatchi General Meeting being held on or before the 22nd day after the expected date of such meetings to be set out in the Scheme Document in due course (or such later date, if any, as Next Fifteen and M&C Saatchi may agree, with the consent of the Panel, and the Court may allow);
 - (d) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to Next Fifteen and M&C Saatchi);
 - (e) the Scheme Court Hearing being held on or before the 22nd day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course (or such later date (if any) as Next Fifteen and M&C Saatchi may agree (with the consent of the Panel) and the Court may approve, if such approval is required); and
 - (f) a copy of the Court Order being delivered for registration to the Registrar of Companies.
3. In addition, Next Fifteen and M&C Saatchi have agreed that the Acquisition will be conditional upon the following conditions and, accordingly, the necessary

actions to make the Scheme effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

(a) **Next Fifteen Shareholder approval**

The passing at the Next Fifteen General Meeting (or at any adjournment thereof) of such resolution or resolutions as are necessary to approve, implement and effect the Acquisition including a resolution or resolutions to authorise the allotment of New Next Fifteen Shares pursuant to the Acquisition (as such resolutions shall be set out in the Next Fifteen Circular in due course);

(b) **Admission to trading**

The London Stock Exchange having acknowledged to Next Fifteen or its Nomad (and such acknowledgement not having been withdrawn) that the New Next Fifteen Shares will be admitted to trading on AIM;

(c) **Regulatory clearances**

(i) The CMA:

(A) following a decision to open a phase 1 merger review in relation to the Acquisition, deciding, on terms reasonably satisfactory to Next Fifteen, not to refer the Acquisition nor any matter arising from or relating to the Acquisition to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 (a "**Phase 2 CMA Reference**"); or

(B) as at the date on which all other Conditions (with the exception of sanction of the Scheme by the Court and registration of the Court Order pursuant to paragraphs 2(e) and 2(f) of this Part A of this Appendix 1) of the Acquisition are satisfied or waived:

(aa) not having requested submission of a Merger Notice or commenced a phase 1 merger review by indicating that the statutory review period in which the CMA has to decide whether to make a Phase 2 CMA Reference under section 34ZA of the Enterprise Act 2002 has begun; or

(bb) having responded to a briefing paper in writing that it has no further questions in relation to the Acquisition (and has not otherwise opened an inquiry, or indicated that it is still investigating whether to open an inquiry).

(ii) Pursuant to the UK National Security and Investment Act 2021 ("**NSIA**"), a notification having been accepted by the Secretary of State for Business, Energy and Industrial Strategy (the "**Secretary of State**") and the Secretary of State either:

(A) confirming that no further action will be taken in relation to the Acquisition; or

(B) making a final order in relation to the Acquisition on terms satisfactory to Next Fifteen that it is not prohibited (and to the extent relevant, any conditions or obligations contained in such an order necessary for completion of the Acquisition having been satisfied or complied with).

(iii) If Next Fifteen reasonably considers it necessary, or (following full consultation with M&C Saatchi in good faith) reasonably considers it highly desirable to give notice to the Treasurer of the Commonwealth of Australia under the Foreign Acquisitions and Takeovers Act 1975 (Cth) ("**FATA**") in respect of the Acquisition, the occurrence of one of the following events ("**FIRB Condition**"):

(A) Next Fifteen receiving a written notice under the FATA, by or on behalf of the Treasurer of the Commonwealth of Australia (or the Treasurer's delegate) ("**Treasurer**") stating, or to the effect that, the Treasurer does not object to the Acquisition, with the notice of no objection being either unconditional or subject only to: (i) the FIRB Tax Conditions; and/or (ii) other conditions which are reasonably acceptable to Next Fifteen; or

(B) to the extent that any notification has already been made under the FATA in connection with the Acquisition:

(aa) the Treasurer (or the Treasurer's delegate) having notified Next Fifteen in writing that the notification may be withdrawn; and

(bb) such notification having been withdrawn; and

(cc) the Acquisition being capable of completion without breaching applicable law or regulation; or

(C) the Treasurer becoming precluded from exercising any power to make an order under Division 2 of Part 3 of FATA in relation to the Acquisition; or

(D) if an interim order is made under section 68 of the FATA in respect of the Acquisition, the subsequent period for making a final order prohibiting the Acquisition elapsing without a final order being made.

(iv) Next Fifteen and M&C Saatchi having submitted a joint voluntary notice of the Acquisition to the Committee on Foreign Investment in the United States ("**CFIUS**"), and having received a written notification issued by CFIUS that it has concluded its review (or, if

applicable, investigation) under section 721 of the Defense Production Act of 1950 (as amended) (the "**DPA**") and that:

- (A) the Acquisition is not a "covered transaction" pursuant to the DPA; or
- (B) there are no unresolved national security concerns (which may include mitigation measures reasonable to Next Fifteen) with respect to the Acquisition and CFIUS has concluded all action.

(d) **General Third Party clearances**

- (i) Other than in respect of paragraphs 3(c)(i) to (iv) of this Part A of Appendix 1, no government or governmental, quasi- governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution or any other body or person whatsoever in any jurisdiction (each a "**Third Party**") having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps which would or might reasonably be expected to:

- (A) require, prevent or delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Next Fifteen Group or any member of the Wider M&C Saatchi Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider Next Fifteen Group or the Wider M&C Saatchi Group, in either case taken as a whole;
- (B) require, prevent or delay the divestiture by any member of the Wider Next Fifteen Group of any shares, securities or other interests in any member of the Wider M&C Saatchi Group;
- (C) impose any material limitation on, or result in a delay in, the ability of any member of the Wider Next Fifteen Group directly or indirectly to acquire or to hold or to exercise effectively, directly or indirectly, any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider M&C Saatchi Group or to exercise management control over any such member;
- (D) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Next Fifteen Group or of any member of the Wider M&C Saatchi Group to an extent which is material in the context of the Wider Next Fifteen Group or the Wider M&C Saatchi Group, in either case taken as a whole;
- (E) make the Acquisition or its implementation or the acquisition or proposed acquisition by Next Fifteen or any member of the Wider Next Fifteen Group of any shares or other securities in, or control of M&C Saatchi void, illegal, and/or unenforceable under the laws of any relevant jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise adversely interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith;
- (F) except pursuant to the implementation of the Scheme or, if applicable, Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Next Fifteen Group or the Wider M&C Saatchi Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider M&C Saatchi Group or the Wider Next Fifteen Group owned by any third party;
- (G) impose any limitation on, or result in any delay of, the ability of any member of the Wider M&C Saatchi Group or the Wider Next Fifteen Group to integrate or co-ordinate its business, or any part of it, with the businesses of any other member of the Wider M&C Saatchi Group or the Wider Next Fifteen Group in a manner which is adverse to and material in the context of the Wider M&C Saatchi Group or the Wider Next Fifteen Group, in each case taken as a whole or in the context of the Acquisition; or
- (H) result in any member of the Wider M&C Saatchi Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods during which any such Third Party could institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any M&C Saatchi Shares having expired, lapsed or been terminated;

- (ii) other than in respect of paragraphs 3(c)(i) to (iv) of this Part A of Appendix 1, all necessary filings or applications having been made in connection with the Acquisition and all relevant waiting periods and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated and all material statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Acquisition or the acquisition by any member of

the Wider Next Fifteen Group of any shares or other securities in, or control of, M&C Saatchi in each case where the direct consequence of any failure to make any such filing or application or to wait for the expiry, lapse or termination of any such waiting or other time period or the failure to comply with any such statutory or regulatory obligation would be unlawful in any relevant jurisdiction or would give rise to a material risk of having a material adverse effect on the Wider M&C Saatchi Group taken as a whole or the ability of Next Fifteen to implement the Acquisition;

- (iii) all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals reasonably necessary or appropriate for or in respect of the Acquisition or the proposed acquisition of any shares or other securities in, or control of, M&C Saatchi by any member of the Wider Next Fifteen Group in connection with the Acquisition having been obtained in terms and in a form reasonably satisfactory to Next Fifteen from all appropriate Third Parties or persons with whom any member of the Wider M&C Saatchi Group has entered into contractual arrangements and all such authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals together with all material authorisations orders, recognitions, grants, licences, confirmations, clearances, permissions and approvals necessary or appropriate to carry on the business of any member of the Wider M&C Saatchi Group on a basis similar in all material respects to the basis on which it is conducted as at the date of this Announcement, remaining in full force and effect, in each case where the absence of any such authorisation, order, recognition, grant, licence, confirmation, clearance, permission or approval would give rise to a material risk of having a material adverse effect on the Wider Next Fifteen Group or Wider M&C Saatchi Group taken as a whole and all material filings necessary for such purpose have been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Acquisition becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with where any such failure to make a filing or notice of intention so received would give rise to a material risk of having a material adverse effect on the Wider Next Fifteen Group taken as a whole;

(e) **Certain matters arising as a result of any arrangement, agreement etc.**

Save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider M&C Saatchi Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Acquisition or the proposed acquisition by any member of the Wider Next Fifteen Group of any shares or other securities in M&C Saatchi or because of a change in the control or management of M&C Saatchi or otherwise, would or might reasonably be expected to result in (in each case to an extent which is material and adverse in the context of the Wider M&C Saatchi Group as a whole, or in the context of the Acquisition):

- (i) any moneys borrowed by or any other indebtedness (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or adversely affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
- (iii) any assets or interests of any such member being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged otherwise than in the ordinary course of business;
- (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member;
- (v) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or adversely affected;
- (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- (vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or
- (viii) the creation of any liability, actual or contingent, by any such member other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider M&C Saatchi Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) of this Condition (in each case to the extent which is material in the context of the Wider M&C Saatchi Group taken as a whole);

(f) **Certain events occurring since 31 December 2021**

Save as Disclosed, no member of the Wider M&C Saatchi Group having, since 31 December 2021:

- (i) save as between M&C Saatchi and wholly owned subsidiaries of M&C Saatchi or for M&C Saatchi Shares issued pursuant to the exercise of options or vesting of awards granted under the M&C Saatchi Share Schemes, issued, authorised or proposed the issue of additional shares of any class;
- (ii) save as between M&C Saatchi and wholly owned subsidiaries of M&C Saatchi, or for the grant of options or awards under the M&C Saatchi Share Schemes, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
- (iii) other than or to M&C Saatchi or another member of the M&C Saatchi Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution whether payable in cash or otherwise;
- (iv) save for intra-M&C Saatchi Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, (i) other than in the ordinary course of business and (ii) to an extent which is material in the context of the Wider M&C Saatchi Group taken as a whole;
- (v) save for intra-M&C Saatchi Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to the extent which is material in the context of the Wider M&C Saatchi Group taken as a whole;
- (vi) issued, authorised or proposed the issue of any debentures or (save for intra-M&C Saatchi Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any guarantee or contingent liability in each case which is material in the context of the Wider M&C Saatchi Group taken as a whole;
- (vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in subparagraph (i) above, made any other change to any part of its share capital, in each case, to the extent which is material in the context of the Wider M&C Saatchi Group taken as a whole;
- (viii) other than pursuant to the Acquisition (and except for transactions between M&C Saatchi and its wholly owned subsidiaries or between such wholly owned subsidiaries of M&C Saatchi) implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business;
- (ix) entered into or changed to a material extent the terms of any contract with any director or senior executive save for salary increases, bonuses or variations of terms in the ordinary course;
- (x) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or is reasonably likely to be restrictive on the businesses of any member of the Wider M&C Saatchi Group or which involves or could reasonably be expected to involve an obligation of such a nature or magnitude other than in the ordinary course of business, in any such case to an extent which is material or would reasonably likely to be material in the context of the Wider M&C Saatchi Group taken as a whole;
- (xi) (other than in respect of a member of the Wider M&C Saatchi Group which is dormant and was solvent at the relevant time) taken any corporate action or had any legal proceedings started or threatened in writing against it for its winding up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any material part of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed, and in each such case, to the extent which is material in the context of the Wider M&C Saatchi Group taken as a whole;
- (xii) (other than in respect of any claims between M&C Saatchi and its wholly owned subsidiaries or between such wholly owned subsidiaries) waived or compromised any claim otherwise than in the ordinary course of business and in any case which is material or would reasonably likely to be material in the context of the Wider M&C Saatchi Group taken as a whole;
- (xiii) except as disclosed on publicly available registers, made any material alteration to its memorandum or articles of association or other incorporation documents (in each case, other than pursuant to the resolution(s) to be proposed at the M&C Saatchi General Meeting);
- (xiv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a

view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider M&C Saatchi Group taken as a whole or in the context of the Acquisition;

- (xv) entered into any contract, commitment, arrangement or agreement or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition;
- (xvi) having made or agreed or consented to any material change to:
 - (A) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider M&C Saatchi Group for its directors, employees or their dependents;
 - (B) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
 - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,in each case, to the extent which is material in the context of the Wider M&C Saatchi Group taken as a whole and otherwise than as required by law;
- (xvii) proposed, agreed to provide or modified the terms of the M&C Saatchi Share Schemes or any share option scheme, incentive scheme or other benefit constituting a material change relating to the employment or termination of employment of a material category of persons employed by the Wider M&C Saatchi Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider M&C Saatchi Group, save as agreed by the Panel or by Next Fifteen; or
- (xviii) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of M&C Saatchi Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code except with the consent of Next Fifteen.

(g) **No adverse change, litigation or regulatory enquiry**

Save as Disclosed, since 31 December 2021:

- (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the Wider M&C Saatchi Group to an extent which, in any such case, is material in the context of the Wider M&C Saatchi Group taken as a whole and no circumstances have arisen which would or might reasonably be expected to result in any such adverse change;
- (ii) (other than as a result of or in connection with the Acquisition), no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider M&C Saatchi Group is or may become a party (whether as a claimant, defendant or otherwise) and no investigation by complaint or reference to any Third Party against or in respect of any member of the Wider M&C Saatchi Group having been instituted announced or threatened by or against or remaining outstanding in respect of any member of the Wider M&C Saatchi Group which in any such case, would reasonably be expected to have an adverse effect that is material in the context of the Wider M&C Saatchi Group taken as a whole;
- (iii) no contingent or other liability having arisen or become apparent to Next Fifteen (other than in the ordinary course of business) which is reasonably likely to adversely affect the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider M&C Saatchi Group to an extent which is material in the context of the Wider M&C Saatchi Group taken as a whole; and
- (iv) no member of the Wider M&C Saatchi Group having conducted its business in breach of any applicable laws and regulations and which in any case is material and adverse in the context of the Wider M&C Saatchi Group taken as a whole or material and adverse in the context of the Acquisition.

(h) **No withdrawal, cancellation, termination or modification of licence**

Save as Disclosed, no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider M&C Saatchi Group which is necessary to carry on its business on a basis similar in all material respects to the basis on which it is conducted as at the date of this Announcement, and the withdrawal, cancellation, termination or modification of which would, or might reasonably be expected to have, a material adverse effect on the Wider M&C Saatchi Group taken as a whole;

(i) **No discovery of certain matters**

- (i) Save as Disclosed, Next Fifteen not having discovered:
 - (A) that any financial, business or other information concerning the Wider M&C Saatchi Group as contained in the information publicly disclosed at any time prior to this Announcement by or

on behalf of any member of the Wider M&C Saatchi Group is materially misleading and which was not subsequently corrected before the date of this Announcement by disclosure by or on behalf of the Wider M&C Saatchi Group through the publication of an announcement via a Regulatory Information Service or otherwise, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading, in each case, to the extent which is material and adverse in the context of the Wider M&C Saatchi Group taken as a whole;

- (B) that any member of the Wider M&C Saatchi Group is subject to any liability (actual or contingent), and which is not disclosed in the Annual Report and Accounts of the M&C Saatchi Group for the financial year ended 31 December 2021 and in each case, to the extent which is material and adverse in the context of the Wider M&C Saatchi Group taken as a whole; or
- (C) any information which affects the import of any information disclosed at any time prior to this Announcement by or on behalf of any member of the Wider M&C Saatchi Group to any member of the Wider Next Fifteen Group and which is material in the context of the Wider M&C Saatchi Group taken as a whole;

(ii) Save as Disclosed, Next Fifteen not having discovered:

- (A) that any past or present member of the Wider M&C Saatchi Group has not complied with any applicable legislation or regulations of any jurisdiction with regard to the use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not this constituted a non-compliance by any person with any legislation or regulations and wherever the same may have taken place) which, in any case, would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider M&C Saatchi Group which in any case is material in the context of the M&C Saatchi Group taken as a whole; or
- (B) that there is, or is likely to be, any liability, whether actual or contingent, to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider M&C Saatchi Group or any other property or any controlled waters under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant authority or third party or otherwise which in any case is material in the context of the M&C Saatchi Group taken as a whole;

(j) **Anti-corruption, sanctions and criminal property**

Save as Disclosed, Next Fifteen not having discovered that:

- (i) any past or present member, director, officer or employee of the Wider M&C Saatchi Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery legislation; or (b) any person that performs or has performed services for or on behalf of the Wider M&C Saatchi Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery legislation; or
- (ii) any material asset of any member of the Wider M&C Saatchi Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or under any other applicable law, rule, or regulation concerning money laundering or proceeds of crime or any member of the Wider M&C Saatchi Group is found to have engaged in activities constituting money laundering under any applicable law, rule, or regulation concerning money laundering; or
- (iii) any past or present member, director, officer or employee of the Wider M&C Saatchi Group has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (a) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states, in each case to an extent which is material in the context of the Wider M&C Saatchi Group taken as a whole; or
- (iv) any past or present member, director, officer or employee of the Wider M&C Saatchi Group:
 - (A) has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations, including but not limited to the US Anti-Terrorism Act;

- (B) has engaged in conduct which would violate any relevant anti-boycott law, rule, or regulation or any applicable export controls, including but not limited to the Export Administration Regulations administered and enforced by the US Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the US Department of State;
- (C) has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule, or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour; or
- (D) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organisation or found to have violated any applicable law, rule, or regulation concerning government contracting or public procurement; or
- (v) no member of the Wider M&C Saatchi Group being engaged in any transaction which would cause Next Fifteen to be in breach of any applicable law or regulation upon completion of the Acquisition, including but not limited to the economic sanctions of the United States Office of Foreign Assets Control, or HM Treasury & Customs, or any other relevant government authority, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states.

Part B: Waiver and Invocation of the Conditions

1. The Acquisition will be subject to the satisfaction (or waiver, if permitted) of the Conditions set out in this Appendix 1, to the further terms set out in this Appendix 1, and to the full terms and conditions which will be set out in the Scheme Document.
2. Subject to the requirements of the Panel and the Takeover Code, Next Fifteen reserves the right to waive, in whole or in part, all or any of the Conditions above, except for Conditions 1, 2(a), 2(b), 2(d) and 2(f), which cannot be waived. The deadlines in Conditions 2(c) and 2(e) may also be extended to such later date as may be agreed in writing by Next Fifteen and M&C Saatchi (with the Panel's consent and approval of the Court, if required). If any of Conditions 2(c) and 2(e) are not satisfied by the relevant deadline specified in the relevant Condition, Next Fifteen shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether, subject to paragraph 8 below, it has invoked the relevant Condition, waived the relevant deadline or agreed with M&C Saatchi to extend the relevant deadline.
3. Conditions 1, 2(a), 2(b), 2(d), 2(f) and 3(c) to (j) (inclusive) must be fulfilled or (if capable of waiver) be waived by Next Fifteen, by no later than 11.59 p.m. on the date immediately preceding the date of the Scheme Court Hearing, failing which the Scheme will lapse. Neither Next Fifteen nor M&C Saatchi shall be under any obligation to waive (if capable of waiver) or treat as satisfied any of the Conditions that is entitled (with the consent of the Panel and subject to the requirements of the Takeover Code) to invoke, by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions of the offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
4. Under Rule 13.5(a) of the Takeover Code, Next Fifteen may not invoke a Condition so as to cause the Scheme not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to Next Fifteen in the context of the Acquisition.
5. Next Fifteen may only invoke a Condition that is subject to Rule 13.5(a) of the Takeover Code with the consent of the Panel and any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by Next Fifteen.
6. Conditions 1, 2, 3(a) and 3(b) and, if applicable, any acceptance condition if the Acquisition is implemented by means of an Offer, are not subject to Rule 13.5(a) of the Takeover Code.

Part C: Implementation by way of Offer

Next Fifteen reserves the right, with the consent of the Panel and in accordance with the terms of the Cooperation Agreement, to implement the Acquisition by way of a takeover offer (as defined in Part 28 of the Companies Act 2006). In such event, such Acquisition will be implemented on the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments, including (without limitation and subject to the consent of the Panel) an acceptance condition that is set at 90 per cent. (or such lesser percentage, as Next Fifteen may decide after, to the extent necessary, consultation with the Panel, being in any case more than 50 per cent.) of the M&C Saatchi Shares) (i) in nominal value of the shares to which such Offer relates; and (ii) of the voting rights attached to those shares, and that is subject to the Next Fifteen and/or (with the consent of the Panel) any of its wholly owned subsidiaries having acquired or agreed to acquire, whether pursuant to the Acquisition or otherwise, M&C Saatchi Shares carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of M&C Saatchi, including, for this purpose, any such voting rights attaching to M&C Saatchi Shares that are unconditionally allotted or issued before the takeover offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise. Further, if sufficient acceptances of such takeover offer are received and/or sufficient M&C Saatchi Shares are otherwise acquired, it would be the intention of Next Fifteen to apply the provisions of the Companies Act to acquire compulsorily any outstanding M&C Saatchi Shares to which such takeover offer relates. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

Part D: Certain further terms of the Acquisition

1. The Scheme will be governed by English law and be subject to the jurisdiction of

the Courts and to the conditions and further terms set out in this Announcement and in the Scheme Document. The Acquisition will comply with the applicable rules and regulations of AIM and the Takeover Code and be subject to the applicable requirements of the Panel, the London Stock Exchange, the FCA and the Registrar of Companies. This Announcement does not constitute, or form part of, an offer or invitation to purchase M&C Saatchi Shares or any other securities.

2. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
3. If Next Fifteen is required by the Panel to make an offer for M&C Saatchi Shares under the provisions of Rule 9 of the Takeover Code, Next Fifteen may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.
4. Fractions of New Next Fifteen Shares will not be allotted or issued to persons accepting the Scheme. Fractional entitlements to New Next Fifteen Shares will be aggregated and sold in the market and the net proceeds of sale distributed pro rata to persons entitled thereto. However, individual entitlements to amounts of less than £3 will not be paid to persons accepting the Scheme but will be retained for the benefit of Next Fifteen.
5. The offer will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telephone, internet or e-mail) of interstate or foreign commerce of, or of any facility of a national securities exchange of, any Restricted Jurisdiction and the Acquisition will not be capable of acceptance by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction.
6. The New Next Fifteen Shares to be issued pursuant to the Acquisition have not been and will not be registered under the US Securities Act nor under any of the relevant securities laws of any Restricted Jurisdiction. Accordingly, the New Next Fifteen Shares may not be offered, sold or delivered, directly or indirectly, into any Restricted Jurisdiction, except pursuant to exemptions from applicable requirements of any such jurisdiction.
7. The New Next Fifteen Shares will be issued credited as fully paid and will rank pari passu in all respects with the existing Next Fifteen Shares. Application will be made to the London Stock Exchange for the New Next Fifteen Shares to be admitted to trading on AIM.
8. M&C Saatchi Shares which will be acquired under the Acquisition will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this Announcement.
9. If any dividend or other distribution or return of value is proposed, declared, made, paid or becomes payable by M&C Saatchi in respect of a M&C Saatchi Share on or after the date of this Announcement and prior to the Effective Date, Next Fifteen will have the right to reduce the value of the consideration payable for each M&C Saatchi Share by up to the amount per M&C Saatchi Share of such dividend, distribution or return of value except where the M&C Saatchi Share is or will be acquired pursuant to the Scheme on a basis which entitles Next Fifteen to receive the dividend, distribution or return of value and to retain it. If any such dividend or distribution or return of value is paid or made after the date of this Announcement and Next Fifteen exercises its rights described above, any reference in this Announcement to the consideration payable under the Scheme shall be deemed to be a reference to the consideration as so reduced. Any exercise by Next Fifteen of its rights referred to in this paragraph shall be the subject of an Announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme.

APPENDIX 2

SOURCES OF INFORMATION AND BASES OF CALCULATION

In this Announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used.

- (a) References to ownership of the Enlarged Group have been based on Next Fifteen's and M&C Saatchi's respective fully diluted share capital, being:
 - (i) 118,490,525 Next Fifteen Shares
 - (ii) 125,438,897 M&C Saatchi Shares
- (b) The fully diluted share capital of M&C Saatchi is based upon:
 - (i) the 122,257,465 M&C Saatchi Shares in issue as at close of business on the Last Practicable Date;
 - (ii) the 1,405,146 M&C Saatchi Shares over which there are options outstanding under the M&C Saatchi Long Term Incentive Plan; and
 - (iii) the estimated 1,776,286 M&C Saatchi Shares over which options are to be granted under the M&C Saatchi Long Term Incentive Plan.
- (c) The fully diluted share capital of Next Fifteen is based upon:
 - (i) the 97,960,557 Next Fifteen Shares in issue as at close of business on the Last Practicable Date; and
 - (ii) the 20,529,968 New Next Fifteen Shares to be issued to M&C Saatchi Shareholders pursuant to the terms of the Acquisition at an exchange

ratio of 0.1637 New Next Fifteen Shares per M&C Saatchi Share.

- (d) The 20,529,968 New Next Fifteen Shares to be issued to M&C Saatchi Shareholders pursuant to the terms of the Acquisition is based upon:
- (i) the exchange ratio of 0.1637 New Next Fifteen Shares per M&C Saatchi Share; and
 - (ii) the Closing Price per Next Fifteen Share on the Last Practicable Date of 1,266 pence.
- (e) The value of the Acquisition is based upon:
- (i) the Closing Price per Next Fifteen Share on the Last Practicable Date of 1,266 pence;
 - (ii) the exchange ratio of 0.1637 New Next Fifteen Shares per M&C Saatchi Share;
 - (iii) the cash component of the Acquisition of 40 pence in cash for each M&C Saatchi Share; and
 - (iv) the fully diluted share capital of M&C Saatchi as set out in section (b) above.
- (f) The premium calculations to the price per M&C Saatchi Share used in this Announcement have been calculated by reference to the look through Acquisition terms of 247.2 pence per M&C Saatchi Share, based upon:
- (i) the exchange ratio of 0.1637 New Next Fifteen Shares per M&C Saatchi Share;
 - (ii) the Closing Price per Next Fifteen Share on the Last Practicable Date of 1,266 pence; and
 - (iii) the cash component of the Acquisition terms of 40 pence in cash for each M&C Saatchi Share
- (g) The premium calculations in respect of the ADV Offer have been calculated by reference to the ADV firm offer announcement on 17 May:
- (i) under the ADV All Share Offer: 2.530 ADV Shares per M&C Saatchi Share;
 - (ii) under the ADV Cash and Share Offer: 2.043 ADV Shares and 40 pence in cash per M&C Saatchi Share; and
 - (iii) using the Closing Price per ADV Share of 82.0 pence on 16 May 2022.
- (h) All prices and Closing Prices for M&C Saatchi, Next Fifteen and ADV Shares are closing middle market quotations derived from Fidessa.
- (i) All information relating to Next Fifteen has been extracted from published sources and/or provided by persons duly authorised by Next Fifteen.
- (j) All financial information relating to M&C Saatchi has been extracted or derived (without material adjustment) from M&C Saatchi's audited financial statements for the financial year ended 31 December 2021 prepared in accordance with IFRS.
- (k) Certain figures included in this announcement have been subject to rounding adjustments.

APPENDIX 3

DETAILS OF DIRECTOR IRREVOCABLE UNDERTAKINGS

Director irrevocable undertakings

Name of M&C Saatchi Director	Number of M&C Saatchi Shares*	Percentage of M&C Saatchi issued share capital
Lisa Gordon	50,000	0.04 per cent.
Gareth Davis	102,720	0.1 per cent.
Moray MacLennan	562,149	0.5 per cent.
Louise Jackson	Nil	Nil
Colin Jones	37,758	0.03 per cent.

*excluding any treasury shares

The undertakings from the M&C Saatchi Independent Directors will lapse and cease to have effect if: (i) the Announcement is not released by 5 p.m. on 27 May 2022 or such later date as Next Fifteen and M&C Saatchi may in writing agree, (ii) if Next Fifteen announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition and no new, revised or replacement acquisition (to which this undertaking applies) is announced in accordance with Rule 2.7 of the Takeover Code at the same time, (iii) if the Offer or Scheme lapses or is withdrawn and no new, revised or replacement acquisition (to which this undertaking applies) is announced in accordance with Rule 2.7 of the Takeover Code at the same time, (iv) if the Scheme has not become effective in accordance with its terms or the Offer has not been declared unconditional in

all respects on or before the Long Stop Date (as defined in the Announcement), or (v) if any other offer for M&C Saatchi becomes or is declared unconditional in all respects.

Name of Next Fifteen Director	Number of Next Fifteen Shares*	Percentage of Next Fifteen issued share capital
Penelope Ladkin-Brand	85,118	0.1 per cent.
Peter Harris	386,128	0.4 per cent.
Jonathan Peachey	170	0.0 per cent.
Timothy Dyson	5,000,000	5.1 per cent.

*excluding any treasury shares

The undertakings from the Next Fifteen directors will lapse and cease to have effect if (i) the Announcement is not released by 5 p.m. on 27 May 2022 or such later time and/or date as Next Fifteen and M&C Saatchi may agree, (ii) the Acquisition has not completed prior to the Long Stop Date, (iii) Next Fifteen announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition and no new, revised or replacement Acquisition (to which this undertaking applies) is announced in accordance with Rule 2.7 of the Takeover Code at the same time; or (iv) the Offer or Scheme lapses or is withdrawn and no new, revised or replacement Acquisition (to which this undertaking applies) is announced in accordance with Rule 2.7 of the Takeover Code at the same time.

APPENDIX 4

M&C SAATCHI PROFIT FORECAST

Part A

Paragraph 5 of this Announcement (*Background to and reasons for the M&C Saatchi Independent Directors' recommendation*) contains statements referring to M&C Saatchi's profit forecast for FY22 (the "**M&C Saatchi FY22 Profit Forecast**") and FY23 (the "**M&C Saatchi FY23 Profit Forecast**") which was issued on 29 April 2022 (together, the "**M&C Saatchi Profit Forecast**").

A copy of the M&C Saatchi Profit Forecast is set out below:

*"Further to the Company's trading update announcement on 21 January 2022 and the announcement of the Company's final results for the year ended 31 December 2021 ("FY21") announced separately today (the "**Results Announcement**"), the Company is pleased to announce M&C Saatchi's projections for the years ending 31 December 2022 ("FY22") and 2023 ("FY23").*

The Company has delivered continued record performance in FY21 as demonstrated by seven consecutive positive trading updates since January 2021, and as detailed in the Results Announcement where the Company has reported headline profit before tax of £27.3m, ahead of its expectations and over a 200% increase on the prior year.

Taking into account the robust financial performance delivered in 2021 and the strong momentum in 2022 so far, M&C Saatchi is now forecasting headline profit before tax in the region of:

- £31 million in FY22; and
- £41 million in FY23

These forecasts evidence the future potential of the business, comprising expected revenue growth from existing clients and new client wins, coupled with further simplification under the accelerated Company strategy. Further details are set out in the appendix to this announcement.

The Company remains highly confident in its ability to create material value for its shareholders."

Further information on the bases of belief supporting the M&C Saatchi Profit Forecast, including the principal assumptions and sources of information, is set out below.

Bases of preparation

The M&C Saatchi Independent Directors prepared the FY22 Profit Forecast and FY23 Profit Forecast on the basis of the management accounts for FY21, a detailed forecast for the period to 31 December 2022 and, in the case of the FY23 Profit Forecast, M&C Saatchi's five-year business plan for the period to 31 December 2026. The FY22 Profit Forecast and FY23 Profit Forecast exclude any ongoing or expected transaction costs applicable to any offer, any other associated accounting impacts as a direct result of any offer or any disruption or impact as a direct result of any offer.

Assumptions

The M&C Saatchi Profit Forecast are based on the assumptions listed below:

1. Factors outside the influence of the Independent Directors:

- There will be no material changes to existing prevailing macroeconomic or political conditions in any of the markets and regions in which M&C Saatchi operates due to any impact of the ongoing Ukraine-Russia crisis.
- There will be no material changes to the conditions of the markets and regions in which M&C Saatchi operates or in relation to customer demand or the behaviour of competitors in those markets and regions.

- Interest rates, inflation, foreign exchange and tax rates in the markets and regions in which M&C Saatchi operates will remain materially unchanged from the prevailing expectations.
- There will be no significant further increase in global economic uncertainty as a result of the Covid-19 pandemic.
- There will be no material adverse events that will have a significant impact on M&C Saatchi's financial performance (such as a natural disaster, an act of terrorism or change in political regime) which results in significant disruption to M&C Saatchi's business.
- There will be no business disruptions that materially affect M&C Saatchi or its key customers as a result of a cyberattack and/or technological issues or supply chain disruptions.
- There will be no material changes in legislation or regulatory requirements impacting M&C Saatchi's operations or on its accounting policies.
- There will be no material litigation in relation to any of M&C Saatchi's operations.

2. Factors within the influence of the Independent Directors

- There will be no material change to the present management of M&C Saatchi, other than as already announced.
- There will be no material change to the accelerated strategy of M&C Saatchi.
- The core strategy of connected revenue growth, driven by a team dedicated to this line of revenue, will drive increased new global business.
- M&C Saatchi intends to initiate phase II of its global cost savings programme which is expected to generate savings in both FY22 and FY23; the scale of its contribution to headline profit before tax in FY22 and FY23 is dependent on the programme commencing no later than June 2022.
- There will be no material adverse change in M&C Saatchi's ability to maintain customer and partner relationships.
- There will be no material acquisitions or disposals.
- There will be no material strategic investments over and above those currently planned.
- There will be no material change in the dividend or capital policies of M&C Saatchi outside of what has previously been publicly announced.
- There will be no loss of client contracts unless a contract is due to terminate in the period.
- All long-term clients will be retained and will continue to generate revenues in line with their budgets, retainers, historical trends and past behaviours.
- M&C Saatchi will continue to generate a portion of its annual net revenues from new clients, consistent with prior years.
- Both net revenue and headline PBT margin are assumed to grow in FY22 and FY23. In particular:
 - In FY22 and FY23, the M&C Saatchi Independent Directors have assumed net revenue growth based upon divisional analysis and forecasting including expected new and existing client wins. The M&C Saatchi Independent Directors' view of annual net revenue growth in FY22 and FY23 is further supported by M&C Saatchi's robust financial performance and growth in 2021, broader macro forecasts, including the GroupM forecast growth for the global advertising market as a whole and the forecast revenue growth of its closest listed peers.
 - Excluding the impact of the phase II of the global cost saving programme (see below), the M&C Saatchi Independent Directors have forecast growth in profit before tax margins in FY22 and FY23 partly driven by efficiency savings and increased operational leverage.

Independent Directors' Confirmation and Reports

The FY22 Profit Forecast and FY23 Profit Forecast constitute profit forecasts under Rule 28.1(a) of the Takeover Code.

1. FY22 Profit Forecast

BDO LLP ("**BDO**"), as reporting accountant to M&C Saatchi, and Numis and Liberum, as financial advisers to M&C Saatchi, each provided a report in respect of the FY22 Profit Forecast as required under Rule 28.1(a) of the Takeover Code. Copies of these reports are included in Part B and C respectively of this Appendix.

In accordance with the requirements of Rule 27.2(d) of the Takeover Code, the M&C Saatchi Independent Directors confirm that the FY22 Profit Forecast remains valid as at the date of this Announcement and that BDO, Numis and Liberum have confirmed that their reports included in Part B and C respectively of this Appendix continue to apply in respect of the FY22 Profit Forecast.

Each of BDO, Numis and Liberum has given and has not withdrawn its consent to the inclusion of its report in the form and context in which it is included.

2. FY23 Profit Forecast

The FY23 Profit Forecast constitutes a profit forecast under Rule 28.1(a) of the Takeover Code. However, in accordance with Rule 28.2 of the Takeover Code, the Takeover Panel

granted M&C Saatchi a dispensation from the requirement to include reports from reporting accountants and its financial advisers in relation to the FY23 Profit Forecast because it is for a financial period ending more than 15 months from the date it was announced, which is the date on which it was first published.

The M&C Saatchi Independent Directors confirm that the FY23 Profit Forecast was properly compiled on the basis of the assumptions set out above and was prepared on a basis consistent with M&C Saatchi's accounting policies used in M&C Saatchi's audited financial statements for the year ended 31 December 2021 and in accordance with IFRS.

In accordance with the requirements of Rule 27.2(d) of the Takeover Code, the M&C Saatchi Independent Directors confirm that the FY23 Profit Forecast remains valid as at the date of this Announcement.

Part B

Report from BDO

BDO LLP
55 Baker Street
London
W1U 7EU

29 April 2022

The Independent Directors
M&C Saatchi Plc
36 Golden Square
London
W1F 9EE

Numis Securities Limited
45 Gresham Street
London
EC2V 7BF

Liberum Capital Limited
Ropemaker Place
Level 12
25 Ropemaker Street
London
EC2Y 9LY

Dear Sir or Madam

We report on the forecast of headline profit before tax of M&C Saatchi Plc (the "**Company**") and its subsidiaries (together the "**Group**") for the year ending 31 December 2022 (the "**FY22 Profit Forecast**"). The FY22 Profit Forecast, and the material assumptions upon which it is based, are set out in Part A of the appendix of the "**Issue of Profit Forecasts**" announcement (the "**Announcement**").

Opinion

In our opinion, the FY22 Profit Forecast has been properly compiled on the basis stated and the basis of accounting used is consistent with the Company's accounting policies.

The FY22 Profit Forecast has been made in the context of the disclosures in Part A of the appendix to this announcement setting out the principal assumptions supporting the FY22 Profit Forecast.

This report is required by Rule 28.1(a)(i) of the City Code on Takeovers and Mergers (the "**Takeover Code**") and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the independent directors of the Company (the "**Independent Directors**") to prepare the FY22 Profit Forecast in accordance with the requirements of Rule 28 of the Takeover Code.

It is our responsibility to form an opinion, as required by Rule 28.1(a)(i) of the Takeover Code, as to the proper compilation of the FY22 Profit Forecast and to report that opinion to you as to whether the FY22 Profit Forecast has been properly compiled on the basis stated and the basis of accounting used is consistent with the Company's accounting policies.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and to the shareholders of the Company, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Rule 23.2 of the Takeover Code, consenting to its inclusion in the Announcement.

Basis of preparation of the FY22 Profit Forecast

The FY22 Profit Forecast has been prepared on the basis stated in Part A of the appendix of the Announcement.

The FY22 Profit Forecast is required to be presented on a basis consistent with the accounting policies of the Group.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council of the United Kingdom. We are independent in accordance with the Financial Reporting Council's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included considering whether the FY22 Profit Forecast has been accurately computed based upon the disclosed assumptions and the accounting policies of the Group. Whilst the assumptions upon which the FY22 Profit Forecast are based are solely the responsibility of the Independent Directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Independent Directors which, in our opinion, are necessary for a proper understanding of the FY22 Profit Forecast have not been disclosed and whether any material assumption made by the Independent Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the FY22 Profit Forecast has been properly compiled on the basis stated.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Since the FY22 Profit Forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we express no opinion as to whether the actual profits achieved will correspond to those shown in the FY22 Profit Forecast and the differences may be material.

Yours faithfully

BDO LLP

Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Part C

Report from Numis and Liberum

The Board of Independent Directors (the "**Independent Directors**")
M&C Saatchi plc
36 Golden Square
London
W1F 9EE

29 April 2022

Report on the profit forecast of M&C Saatchi plc (M&C Saatchi)

Dear Independent Directors,

We refer to the profit forecast comprising a forecast of headline profit before tax of M&C Saatchi for the year ended 31 December 2022 (the "**FY22 Profit Forecast**"), for which the Independent Directors are solely responsible under Rule 28.3 of the City Code on Takeovers and Mergers (the "**City Code**"). The FY22 Profit Forecast and the basis on which it is prepared, are set out in Part A of the appendix to the announcement entitled "Issue of Profit Forecasts" (the "**Announcement**").

We have discussed the FY22 Profit Forecast (including the bases and assumptions on which they are made), with the Independent Directors and those employees of M&C Saatchi who prepared the FY22 Profit Forecast as well as BDO LLP in their role as reporting accountants in respect of the FY22 Profit Forecast. The FY22 Profit Forecast is subject to uncertainty and our work did not involve an independent examination, or verification, of any of the financial or other information underlying the FY22 Profit Forecast.

We have relied upon the accuracy and completeness of all the financial and other information provided to us by or on behalf of M&C Saatchi, or otherwise discussed with or reviewed by us in connection with the FY22 Profit Forecast, and we have assumed such accuracy and completeness for the purposes of providing this letter. You have confirmed to us that all information relevant to the FY22 Profit Forecast has been disclosed to us. We do not express any view as to the achievability of the FY22 Profit Forecast, whether on the basis identified by the Independent Directors in the disclosures in Part A of the appendix to the Announcement, or otherwise.

We have also reviewed the work carried out by BDO LLP on the FY22 Profit Forecast and have discussed with them the opinion addressed to you and us on this matter and which is set out in Part B of the appendix to the Announcement.

On the basis of the foregoing, we consider that the FY22 Profit Forecast, for which you as the Independent Directors are solely responsible, has been prepared with due care and consideration.

This letter is provided to you solely having regard to the requirements of, and in connection with, Rule 28.1(a)(ii) of the City Code and for no other purpose. We accept no responsibility to M&C Saatchi, its shareholders or to any person other than the Independent Directors in respect of the contents of this letter. Each of Numis Securities Limited and Liberum Capital Limited are acting exclusively as financial adviser to M&C Saatchi and no one else. No person other than the Independent Directors can rely on the contents of, or the work undertaken in connection with, this letter, and to the fullest extent permitted by law, we exclude and disclaim all liability (whether in contract, tort or otherwise) to any other person, in respect of this letter, its contents or the work undertaken in connection with this letter or any of the results or conclusions that may be derived from this letter or any written or oral information provided in connection with this letter, and any such liability is expressly disclaimed except to the extent that such liability cannot be excluded by law.

Yours faithfully,

For and on behalf For and on behalf of
of

Numis Securities Liberum Capital Limited
Limited

APPENDIX 5

DEFINITIONS

"Admission"	admission of the New Next Fifteen Shares to trading on AIM becoming effective in accordance with the AIM Rules.
"ADV"	AdvancedAdvT Limited, a company incorporated and registered in the British Virgin Islands with company number 2040954.
"ADV All Share Offer"	the all share offer made by ADV pursuant to the ADV Offer.
"ADV Cash and Shares Offer"	the cash and shares offer made by ADV pursuant to the ADV Offer.
"ADV Offer"	the offer announced on 17 May 2022 pursuant to which ADV proposed to acquire the entire issued and to be issued ordinary share capital of M&C Saatchi not already held by ADV.
"ADV Share"	an ordinary share of ADV.
"ADV Undertakings"	the irrevocable undertakings provided by Vin Murria, Paradise Investment Management LLC, Stuart Roden and Richard Saunders on 16 May 2022 to ADV, in connection with the ADV Offer.
"AIM"	means AIM, the market of that name operated by the London Stock Exchange.
"AIM Rules"	means the AIM Rules for Companies published by the London Stock Exchange from time to time.
"Announcement"	this announcement made pursuant to Rule 2.7 of the Takeover Code.
"Acquisition"	the proposed acquisition of the entire issued and to be issued share capital of M&C Saatchi by Next Fifteen, to be effected by the Scheme as described in this Announcement (or by the Offer under certain circumstances described in this Announcement).
"Acquisition Value"	the value of the entire issued and to be issued ordinary share capital of M&C Saatchi of approximately £310.1 million on a fully diluted basis.
"Bank of Ireland"	Bank of Ireland Group plc.
"Board of Next Fifteen"	the board of directors of Next Fifteen.
"Business Day"	a day, (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London and Edinburgh.
"Clean Team Agreement"	the clean team confidentiality agreement dated 20 April 2022 entered into between M&C Saatchi and Next Fifteen.
"Closing Price"	the closing middle market price of a Next Fifteen Share or an M&C Saatchi Share or an ADV Share (as appropriate) as at 6:00 p.m. on the day to which such price relates, as derived from the AIM appendix to the Daily Official List.
"CMA"	the UK Competition and Markets Authority.
"CFIUS"	has the meaning given to it in paragraph 3 of Part A of Appendix 1.
"Consideration" or "Acquisition Price"	the consideration payable in connection with the Acquisition, comprising 40 pence in cash and 0.1637

	New Next Fifteen Shares per M&C Saatchi Share.
"Conditions"	the conditions to the implementation of the Acquisition set out in Appendix 1 to this Announcement and to be set out in the Scheme Document.
"Confidentiality Agreement"	the non-disclosure agreement dated 24 March 2022 entered into between M&C Saatchi and Next Fifteen.
"Cooperation Agreement"	means the cooperation agreement dated 20 May 2022 entered into between M&C Saatchi and Next Fifteen.
"Court"	the High Court of Justice in England and Wales.
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations).
"Dealing Disclosure"	an announcement pursuant to Rule 8 of the Takeover Code containing details of dealings in relevant securities of a party to an offer.
"Disclosed"	the information fairly disclosed by, or on behalf of M&C Saatchi: (i) in the Annual Report and Accounts of the M&C Saatchi Group for the financial year ended 31 December 2021; (ii) in this Announcement; (iii) in any other public announcement made by M&C Saatchi in accordance with the Market Abuse Regulation and the AIM Rules prior to this Announcement; or (iv) as disclosed in writing (including via the virtual data room operated by or on behalf of M&C Saatchi in respect of the Acquisition or via email) prior to the date of this Announcement by or on behalf of M&C Saatchi to Next Fifteen (or its respective officers, employees, agents or advisers in their capacity as such).
"DPA"	has the meaning given to it in paragraph 3 of Part A of Appendix 1.
"Effective Date"	the date on which (i) the Scheme becomes effective in accordance with its terms; or (ii) if Next Fifteen elects to implement the Acquisition by way of an Offer, the date the Offer becomes or is declared unconditional in all respects.
"Enlarged Group"	the enlarged group following completion of the Acquisition comprising the M&C Saatchi Group and the Next Fifteen Group.
"Exchange Ratio"	the exchange ratio of 0.1637 New Next Fifteen Shares in exchange for each M&C Saatchi Share.
"Excluded Shares"	any M&C Saatchi Shares (i) legally or beneficially owned by any member of the Wider Next Fifteen Group and/or (ii) held in treasury.
"FATA"	has the meaning given to it in paragraph 3(c)(iii) of Part A of Appendix 1.
"FCA"	the Financial Conduct Authority.
"FIRB Condition"	has the meaning set out in paragraph 3(c)(iii) of Part A of Appendix 1.
"FIRB Tax Condition"	is one or more conditions substantially in the form of the conditions set out in Part D of FIRB's Guidance Note 12 "Tax Conditions" (in the form last updated on 9 July 2021).
"HSBC"	HSBC UK Bank plc.
"Joint Defence Agreement"	the joint defence agreement dated 20 April 2022 entered into between Next Fifteen, Ashurst, M&C Saatchi and CMS.
"Last Practicable Date"	the last Business Day prior to the release of this Announcement.
"Liberum"	Liberum Capital Limited.
"London Stock Exchange" or "LSE"	London Stock Exchange plc.
"Long Stop Date"	20 February 2023 or such later date as may be agreed in writing by Next Fifteen and M&C Saatchi (with the Panel's consent and as the Court may approve (if such approval(s) are required)).
"Market Abuse Regulation"	Regulation (EU) No.596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as applicable in the UK by virtue of section 3 of the European Union (Withdrawal) Act 2018, as amended from time to time (including by the Market Abuse (Amendment) (EU Exit) Regulations 2019 (SI 2019/310)).
"M&C Saatchi"	M&C Saatchi plc, incorporated in England with registered number 05114893.

"M&C Saatchi Court Meeting"	the meeting(s) of the Scheme Shareholders convened by order of the Court pursuant to section 896 of the Companies Act 2006 for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment, postponement or reconvention thereof.
"M&C Saatchi Directors"	the directors of M&C Saatchi as at the date of this Announcement or, where the context so requires, the directors of M&C Saatchi from time to time.
"M&C Saatchi General Meeting"	the general meeting of M&C Saatchi Shareholders to be convened to consider and if thought fit pass, inter alia, a special resolution in relation to the Scheme and the Acquisition.
"M&C Saatchi Group"	M&C Saatchi and its Subsidiary and its subsidiary undertakings from time to time.
"M&C Saatchi Independent Directors"	the directors of M&C Saatchi as at the date of this Announcement or, where the context so requires, the directors of M&C Saatchi from time to time, in any such case other than Vin Murria.
"M&C Saatchi LTIP"	M&C Saatchi Long Term Incentive Plan.
"M&C Saatchi Meetings"	the M&C Saatchi Court Meeting and the M&C Saatchi General Meeting.
"M&C Saatchi Shareholders"	the holders of M&C Saatchi Shares.
"M&C Saatchi Put Option Schemes"	any arrangements which provide certain employees, directors, workers, service-providers or consultants of the M&C Saatchi Group the right to acquire M&C Saatchi Shares as a result of rights provided under the articles of association of such M&C Saatchi Group members or otherwise provided under shareholder, investor or option agreements.
"M&C Saatchi Share Schemes"	the M&C Saatchi LTIP, as amended from time to time.
"M&C Saatchi Shares"	the ordinary shares of 1 pence each in the capital of M&C Saatchi.
"New Next Fifteen Shares"	the new Next Fifteen Shares to be issued pursuant to the Acquisition.
"Next Fifteen"	Next Fifteen Communications Group plc, incorporated in England with registered number 01579589.
"Next Fifteen Circular"	the circular to be sent by Next Fifteen to Next Fifteen Shareholders summarising the background to the reasons for the Acquisition, which will include a notice convening the Next Fifteen General Meeting.
"Next Fifteen Directors"	the directors of Next Fifteen as at the date of this Announcement or, where the context so requires, the directors of Next Fifteen from time to time.
"Next Fifteen General Meeting"	the general meeting of Next Fifteen Shareholders to be convened to consider and, if thought fit, approve the Next Fifteen Resolutions, including any adjournment thereof.
"Next Fifteen Group"	Next Fifteen and its Subsidiaries and its subsidiary undertakings from time to time.
"Next Fifteen Resolution"	the ordinary shareholder resolution of Next Fifteen to grant authority to the Next Fifteen Directors to allot the New Next Fifteen Shares.
"Next Fifteen Shareholders"	holders of Next Fifteen Shares.
"Next Fifteen Shares"	the ordinary shares of 2.5 pence each in the capital of Next Fifteen.
"NSIA"	has the meaning given to it in paragraph 3(c)(ii) of Part A of Appendix 1.
"Numis"	Numis Securities.
"Offer"	should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act 2006, the recommended offer to be made by or on behalf of Next Fifteen to acquire the entire issued and to be issued ordinary share capital of M&C Saatchi and, where the context admits, any subsequent revision, variation, extension or renewal of such offer.
"Offer Document"	should the Acquisition be implemented by means of the Offer, the document to be sent to M&C Saatchi Shareholders which will contain, inter alia, the full terms and conditions of the Offer.
"Offer Period"	the date of this Announcement and ending on the earlier of the date on which the Scheme becomes effective and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Takeover Code may provide or the Panel may decide).

"Opening Position Disclosure"	an announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the offer if the person concerned has such a position.
"Overseas Shareholders"	Scheme Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom.
"Panel"	the UK Panel on Takeovers and Mergers.
"Phase 2 CMA Reference"	has the meaning given to it in paragraph 3(c)(i)(A) of Part A of Appendix 1.
"Registrar of Companies"	the Registrar of Companies in England and Wales.
"Relevant Arrangements"	has the meaning given in paragraph 8.
"Restricted Jurisdiction"	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to M&C Saatchi Shareholders in that jurisdiction.
"Scheme"	the proposed scheme of arrangement under Part 26 of the Companies Act 2006 between M&C Saatchi and M&C Saatchi Shareholders to implement the Acquisition with or subject to any modification, addition or condition approved or imposed by the Court.
"Scheme Court Hearing"	the hearing of the Court to sanction the Scheme under section 899 of the Companies Act 2006.
"Scheme Court Order"	the order of the Court sanctioning the Scheme under section 899 of the Companies Act 2006.
"Scheme Document"	the document to be dispatched to M&C Saatchi Shareholders including the particulars required by section 897 of the Companies Act 2006.
"Scheme Record Time"	the time and date specified as such in the Scheme Document, or such later time as M&C Saatchi and Next Fifteen may agree.
"Scheme Shareholder"	holders of Scheme Shares.
"Scheme Shares"	<ol style="list-style-type: none"> the M&C Saatchi Shares in issue at the date of the Scheme Document; and any M&C Saatchi Shares issued after the date of the Scheme Document but prior to the Voting Record Time; and any M&C Saatchi Shares issued at or after the Voting Record Time but at or before the Scheme Record Time on terms that the holder thereof shall be bound by the Scheme in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme, <p>in each case which remain in issue at the Scheme Record Time and excluding any Excluded Shares.</p>
"Secretary of State"	has the meaning given to it in paragraph 3(c)(ii) of Part A of Appendix 1.
"Significant Interest"	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of (1) the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking or (2) the relevant partnership interest.
"Smith Square Partners"	Smith Square Partners LLP.
"Standard Tax Condition"	is any condition included in the list of tax conditions published on the Australian Foreign Investment Review Board website.
"Subsidiary"	has the meaning given in section 1159 of the Companies Act 2006.
"subsidiary undertakings"	has the meaning given in section 1162 of the Companies Act 2006.
"Takeover Code"	the City Code on Takeovers and Mergers.
"Treasurer"	has the meaning given to it in paragraph 3(c)(iii)(A) of Part A of Appendix 1.
"Third Party"	has the meaning given to it in paragraph 3(d) of Appendix 1.
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland.
"US" or "United States"	the United States of America, its territories and possessions, any state of the United States of

	America and the District of Columbia.
"US Exchange Act"	the US Securities Exchange Act of 1934, as amended.
"US Securities Act"	the US Securities Act of 1933, as amended.
"Voting Record Time"	6.00 p.m. on the day two days prior to the Court Meeting or any adjournment thereof (as the case may be).
"Wider Next Fifteen Group"	Next Fifteen and its Subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate partnership, joint venture or person in which Next Fifteen and all such undertakings (aggregating their interests) have a Significant Interest (other than any member of the Wider M&C Saatchi Group).
"Wider M&C Saatchi Group"	M&C Saatchi and its Subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate partnership, joint venture or person in which M&C Saatchi and all such undertakings (aggregating their interests) have a Significant Interest (other than any member of the Wider Next Fifteen Group).

All times referred to are London time unless otherwise stated.

All references to **"GBP"**, **"pence"**, **"sterling"** or **"£"** are to the lawful currency of the United Kingdom.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

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SCHEDULE 2

M&C Saatchi Share Plan

Next Fifteen and M&C Saatchi intend that the following arrangements and acknowledgements will, subject to the Scheme becoming effective in accordance with its terms, apply to the M&C Saatchi Share Plan.

In the event that the Acquisition is effected as a Takeover Offer, references to the date of the Court Order ("**Court Sanction Date**") and the Effective Date will be read as if they referred to the date on which the Takeover Offer becomes or is declared unconditional in all respects.

In this Schedule 2, each of the following words and expressions shall have the following meanings. Other capitalised terms not defined below shall have the meanings given in clause 1 of this Agreement:

"M&C Saatchi Remuneration Committee"	means the remuneration committee of the board of directors of M&C Saatchi
"M&C Saatchi Subsidiary Option Schemes"	means any arrangements which provide certain employees, directors, workers, service-providers or consultants of the M&C Saatchi Group the right to sell, or a member of the M&C Saatchi Group the right to acquire, shares or partnership interests (as the case may be) held by such person(s) in certain members of the M&C Saatchi Group pursuant to a share purchase agreement, a shareholders' agreement, a partnership agreement, a letter agreement some other agreement and/or contained in constitutional documents in each case relating to the relevant member of the M&C Saatchi Group (other than under a M&C Saatchi Share Plan)

- As at the date of this agreement, the following options are outstanding under the M&C Saatchi Share Plan:

M&C Saatchi Share Plan	Form of award	Number of M&C Saatchi Shares subject to outstanding awards
M&C Saatchi Long Term Incentive	Nil-cost option	1,405,146

- M&C Saatchi confirms that awards granted under the M&C Saatchi Share Plan are entitled to dividend equivalents under Rule 3.7 of the M&C Saatchi Share Plan.
- M&C Saatchi confirms that other than those awards set out at paragraph 1 of this schedule 2, no additional awards or options have been granted under the M&C Saatchi Share Plan or any other M&C Saatchi incentive schemes.
- Next Fifteen acknowledges that, before the Effective Date, M&C Saatchi may, subject always to Rule 21.1 of the Takeover Code, continue to operate the M&C Saatchi Share Plan in accordance with the rules of the relevant plan and M&C Saatchi's normal practice. M&C Saatchi agrees to give Next Fifteen reasonable prior written notice of any proposed grant of options, amendment of the M&C Saatchi Share Plan or operation of the M&C Saatchi Share Plan other than in accordance with M&C Saatchi's normal practice.
- Next Fifteen and M&C Saatchi acknowledge and agree that:

- (a) the record time for the Scheme shall take place after the Court Sanction Date, to allow those participants in M&C Saatchi Share Plan who acquire M&C Saatchi Shares on or before the Scheme Record Time to have those M&C Saatchi Shares acquired by Next Fifteen through the Scheme;
 - (b) M&C Saatchi intends to write to participants in the M&C Saatchi Share Plan on, or as soon as practicable after, the publication of the Scheme Document (or such later date as may be agreed with the Panel) to inform them of the impact of the Scheme on their outstanding options under the M&C Saatchi Share Plan and the extent to which their options will vest and become exercisable as a result of the Scheme to give them an opportunity to exercise their options at the time of the Acquisition on the basis that any tax or social security contributions arising which are required to be accounted for by their employing company under PAYE or otherwise will be deducted from cash consideration payable for their M&C Saatchi Shares and (to the extent cash consideration is insufficient) from the proceeds of sale of New Next Fifteen Shares issued in respect of their M&C Saatchi Shares as soon as practicable after the commencement of trading of those shares; and
 - (c) M&C Saatchi Shareholder approval will be sought for an amendment to the articles of association of M&C Saatchi so that any M&C Saatchi Shares issued or transferred on or after the Scheme Record Time will be automatically transferred to, or to the order of, Next Fifteen in exchange for the provision by Next Fifteen of the same consideration payable per M&C Saatchi Share under the Scheme (or such other consideration as may be agreed between Next Fifteen and M&C Saatchi and disclosed in the Scheme Document).
6. Next Fifteen acknowledges and agrees that when options become exercisable under the M&C Saatchi Share Plan, such options may be settled by M&C Saatchi in cash provided that such cash equivalent amounts are calculated in accordance in the rules of M&C Saatchi Share Plan and that M&C Saatchi fund the payment of such cash settlement out of its own resources.
7. M&C Saatchi does not hold any M&C Saatchi Shares in any employee trusts and nor does M&C Saatchi operate any employee trust for employees or directors and/or former employees or former directors of the M&C Saatchi Group or their family members.
8. Each party acknowledges that the other party may make any submission to the Panel which it deems necessary to implement the arrangements referred to in this Schedule 2 having consulted with the other party in good time before making such submission (and providing such information as the other party may reasonably require), and the other party agrees to co-operate promptly and in good faith in the making of any such submission.
9. Next Fifteen acknowledges that the extent to which options outstanding under the M&C Saatchi Share Plan and included in the table in paragraph 1 above vest and become exercisable in consequence of the Acquisition is to be determined solely by the M&C Saatchi Remuneration Committee, in accordance with the rules of the M&C Saatchi Share Plan and the terms of such options.

M&C Saatchi Subsidiary Option Schemes

10. M&C Saatchi agrees and undertakes to exercise any and all rights that it may have (or procure the exercise of any rights that another member of the M&C Saatchi Group may have) under or in connection with the M&C Saatchi Subsidiary Option Schemes (or otherwise seek) to settle in cash the price payable to any M&C Saatchi Subsidiary Option Holder in respect of any share or interest acquired by the M&C Saatchi Group from any M&C Saatchi Subsidiary Option Holder on or after the date of this Agreement.

NEXT FIFTEEN COMMUNICATIONS GROUP PLC

Signed by)
)
for and on behalf of **NEXT FIFTEEN**)
COMMUNICATIONS GROUP PLC:)



M&C SAATCHI

Signed by)
)
for and on behalf of **M&C SAATCHI PLC:**)
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NEXT FIFTEEN COMMUNICATIONS GROUP PLC

Signed by)
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for and on behalf of **NEXT FIFTEEN**)
COMMUNICATIONS GROUP PLC:)

M&C SAATCHI

Signed by)
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for and on behalf of **M&C SAATCHI PLC:**)
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