

Acquisition of Unruly Group Ltd

Question and Answer

What is the rationale behind the acquisition of Unruly Group Ltd? (“Unruly”)?

It is anticipated that the acquisition of Unruly and the ongoing partnership with News Corp will bring a number of benefits to the Company, which underpin the rationale for the transaction, as not only are we acquiring a world-class asset in Unruly, but the strategic alliance with News Corp gives us access to exclusive outstream video inventory across more than 50 News Corp titles as well as unique demand relationships with the world’s biggest advertisers.

In summary, the transaction:

- Significantly extends Tremor’s international footprint;
- Bolsters Tremor’s supply-side platform;
- Expands Tremor’s customer base, adding leading Fortune 500 customers;
- Provides the opportunity to leverage News Corp’s and Unruly’s highly reputable brands and premium focus;
- Deepens Tremor’s data, pricing and intelligence capabilities; and
- Adds experience and talent to the board and the group in the form of Rebekah Brooks, Norm Johnston and others

Why have you decided to issue shares to fund the transaction?

The board evaluates every transaction on a case by case basis. With regards to this transaction, both parties agreed to an all share deal.

We welcome the opportunity to closely align Tremor’s interests with that of News Corp, which we believe also provides a significant endorsement of our business, given News Corp’s size, influence and reputation in the market.

You are appointing two further directors, why? And why aren’t the new directors being appointed to the Tremor board now?

Both Norman and Rebekah have significant expertise that we believe will prove invaluable to Tremor as we continue to accelerate our international growth, and we are delighted to welcome them to the board. The appointments do not take immediate effect, just by the nature of the standard regulatory processes that need to be completed before an individual is appointed to the board.

What do you anticipate the synergies to be post-completion of the acquisition?

The integration of Unruly will start straight away following signing beginning to generate cost-savings and identifying synergies. Over and above the typical synergies one expects from this type of transaction, clearly the existing network of locations throughout Europe and APAC, the ongoing exclusive partnership with News Corp, and the access we will have to their reputable media brands will prove invaluable to Tremor.

Is the lowering of revenues noted in the announcement just more of the same that has been previously flagged, or have you identified further issues?

Throughout 2019 we have flagged a weakness in Tremor's Performance division as a result of industry-wide headwinds, and group-wide we have also elected to focus on higher margin revenue, so together this has resulted in a reduction in revenue expectations. Given we are focusing on other growth drivers, we hope to further mitigate any future exposure to the Performance division.

We are still very cash generative and have a strong balance sheet. A full trading update for the year ending 31 December 2019 will be provided in January 2020.

What's next for the Company, are you going to continue to grow by further acquisitions, or focus on organic growth?

Our strategy has always been to grow through a combination of organic initiatives and select acquisitions. The board expects this to continue, with potential select targets being evaluated if they provide a significant opportunity for us to expand our business. We would, as you would expect, continue to invest in organic initiatives.

Tremor is fast evolving and management are focused on both supporting and expanding our exposure to the fast-growing video advertising market alongside building on our established technology footprint to best serve our clients globally.