

23 December 2020

SEC Newgate S.p.A.

("SEC Newgate" or the "Company" or the "Group")

Acquisition of majority stake in German consultancy Orca Affairs, Berlin

SEC Newgate S.p.A. (AIM: SECG), the insight-driven global strategic communications group that works at the nexus of business, politics, communities, markets and media, is pleased to announce that it has signed agreements ("Agreements") to acquire a 60% shareholding in four tranches (15% per annum until 2024) in Orca Affairs GmbH ("Orca Affairs") (the "Acquisition") in line with the Group's Strategic Plan 2021/2023 and stated acquisition strategy.

Orca Affairs, based in Berlin, has a strong track record in public and corporate affairs at a national level. The agency's specialist consultants offer a broad portfolio of services, including Institutional events, communications strategies, public affairs, media relations and digital consultancy, brand management, media training and coaching to companies and public institutions across a diverse range of sectors.

Orca Affairs is an award-winning agency and was founded in 2012 by well-known professional Michael T. Schroeder, its founder, Managing Director and sole shareholder. Previously CEO and Chairman of Hill & Knowlton Germany, Michael has extensive experience in advising national and international companies and institutions, particularly in the areas of political and corporate communications. His reputation and recognition in the communications industry at a global level was further enhanced in his role as President of IPREX, the international PR agency network, from 2014 to 2017.

The initial consideration comprises a completion cash payment of €0.7 million for a 15% of the issued share capital of Orca Affairs ("First Tranche"), with attached voting rights of 60% passing to SEC upon signing of the Agreements. The First Tranche consideration is payable on 1 April 2021, with the economic benefits transferring from 1 January 2021. Under the terms of the Agreements, SEC Newgate will make three further cash payments of deferred consideration in April 2022, 2023 and 2024 through an earn-out mechanism linked to the Orca Affairs' EBITDA for the financial years ending on 31 March 2021, 2022 and 2023, in each instance for further 15% tranches of the issued share capital of Orca Affairs. The total Acquisition consideration is subject to a minimum of €2.2 million and is capped at €3.5 million. In the year ended 31 December 2019, Orca Affairs' turnover was €10.5 million with profit before tax of €2.2 million, in part influenced by short-term extraordinary business which is not continuing into 2021. The Acquisition will be earnings enhancing in 2021.

As part of SEC Newgate, Orca Affairs will benefit from the scale necessary to continue to build its business at a local, regional, national and international level. Orca Affairs will be able to leverage the central SEC Newgate team to support the promotion its services to large global corporations. Orca Affairs' existing management and partners will continue to run the business, retaining the values, culture and ethos for which Orca Affairs is known. Michael will join SEC Newgate's Manager Committee, a governance body comprising all SEC Newgate group companies' managing directors. He will be assisted by Tanja Schüle, currently the managing director of Kohl PR, SEC Newgate's existing German agency, who will become Orca Affairs' general manager.

Fiorenzo Tagliabue, CEO of SEC Newgate S.p.A., said:

"I warmly welcome on board Michael and the whole Orca Affairs' team. I am sure they will find that this is the right environment for them to further develop and grow their business in a culture with an obsession for excellence, in making a real difference, and always with an entrepreneurial spirit. Today's acquisition consolidates and strengthens our position in Continental Europe's largest market and matches with our size, ambitions and potential."

Michael Schroeder, Managing Director of Orca Affairs GmbH, said:

“This is a very important step for Orca Affairs. It strengthens our international position and we look forward to working together with SEC Newgate and their partners around their ever increasing global footprint to drive the Group’s growth. We believe this will add professional values and skills to us, both as an agency and also to our staff individually.”

-end-

SEC Newgate S.p.A.

Fiorenzo Tagliabue (Group CEO)

Telephone: +39 335 6008858

tagliabue@segrp.com

Sergio Penna (Group CFO)

penna@segrp.com

Arden Partners (Nominated Adviser and Broker)

Richard Johnson / Benjamin Cryer

Telephone: +44 207 614 5900

Notes to Editors

About SEC Newgate

- > SEC Newgate is an insights and research-driven global strategic communications and advocacy group. Its team works at the nexus of business, politics, communities, markets and media to deliver positive outcomes, helping clients clearly demonstrate their purpose, value and impact locally, nationally and internationally.
- > Its team of over 600 professionals are based in 36 offices, in 16 countries across six continents, providing clients with around the clock counsel and support, implementing campaigns from London to Sydney, from Milan to Bogota, and Berlin to Shanghai.
- > The Group’s entrepreneurial roots started in 1989 when SEC S.p.A. was created by Fiorenzo Tagliabue. It became the number one agency in Italy and developed a European presence. Today it is a top 30 global strategic communications group.
- > Further information is available at www.secnewgate.com