



February 07, 2022

BSE Limited

P. J. Towers, 25th Floor,
Dalal Street, Mumbai - 400001.
Scrip Code: **532368**

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai - 400051.
Symbol: **BCG**

Dear Madam / Sir,

Sub: Press Release

Please take note of the attached Press Release which is going to be published.

This is for your information only.

Thanking you.

Yours faithfully,

for **BRIGHTCOM GROUP LIMITED**

M Suresh Kumar Reddy
Chairman & Managing Director
DIN: 00140515

Encl.: As above





BRIGHTCOM GROUP SIGNS A LETTER OF INTENT TO ACQUIRE US-BASED DIGITAL AUDIO COMPANY, VIA AN ASSET PURCHASE TRANSACTION, TO TAP THE RAPIDLY GROWING AUDIO ADVERTISING MARKET

- For Immediate Publication

Hyderabad - December 7, 2021 - Brightcom Group (NSE: BCG | BSE: 532368) today, announced the signing of a Letter of Intent (LOI) to acquire all the assets of a US-based digital audio firm that owns and operates multiple assets. The company is an integrated digital platform offering several programmed radio stations, various digital brands and digital marketing services in many markets in the US.

This acquisition is immediately EPS accretive by adding \$45 million to the topline revenue of Brightcom, and \$15 million to its EBITDA. The synergies between the current Brightcom business and new assets will add to the above numbers.

The assets' acquisition value, including its net cash, is pegged at \$102.5 million consisting of \$95 million in cash and \$7.5 million of BCG stock. The deal is subject to customary financial, legal and business diligence, as well as regulatory approvals, thereafter. The advisors to the deal are Houlihan Lokey on the transaction side and Lerman Senter on the legal side.

This move will mark the significant entry of the Brightcom Group into this fast-growing digital audio advertising segment. Digital audio advertising includes all ad revenue generated through pre and in-Stream Audio Ads that appear in music (music also contains various radio services) and podcast streaming services. This revenue would include ad-supported free versions of premium subscription services or services funded by advertising.

With already 200 million active consumers of digital audio in the US, audio is considered the second most popular digital activity. The worldwide user count is rapidly growing and is expected to go past 1.5 billion by 2026.

Formats can be single spots, tandem spots, or popular special advertising formats like presenting, On-Air Promotions and Infomercials, directly embedded in the audio file or dynamically inserted. Global Ad spending in the digital audio advertising segment will reach about \$7 billion in 2022.





The Target company is a multi-platform digital audio Company that owns and operates multiple assets, including digital audio, serving nearly 50% of millennials and GenZ users. The company is an integrated digital platform offering several programmed radio stations, various digital brands and digital marketing services operating in many markets. In addition to being on the Google premier partners list and Microsoft Elite partners list, the target company also runs Ads from Facebook.

The acquired assets will become a part of the group's US operating entity under the new division of Brightcom Audio, headed by Satish Cheeti. "We are excited to bring these super successful audio assets into our fold, which will open up new opportunities and growth in line with the overall vision of the company", said Satish Cheeti, President of Brightcom Audio.

"This acquisition is in sync with our strategy to expand our services beyond display, mobile and video to offer full-service end to end digital marketing assistance to our clients. With this acquisition, Brightcom Group will be one of the very few companies globally to provide a holistic and wide range of advertising solutions, including audio", said Peshwa Acharya, President (Group Strategy), Brightcom Group. "As more users join the digital audio trend, the advertisers are keen on reaching these users".

MEDIA CONTACT

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ABOUT BRIGHTCOM GROUP

Brightcom Group is a leading global provider of comprehensive online or digital marketing services to direct marketers, brand advertisers, and marketing agencies. The Company is divided into three major divisions: (i) Media (Ad-Tech and digital marketing), (ii) Software services, and (iii) Future technologies. The Company's primary clients are end advertisers, agencies and publishers, but also include ad exchanges & networks.

The Company has 25 office locations and has 1700 employees and consultants worldwide. Brightcom client list contains some of the biggest names, i.e. Airtel, British Airways, Coca-Cola, Hyundai Motors, ICICI Bank, ITC, ING, Lenovo, LIC, Maruti Suzuki, MTV, PGG, Qatar Airways, Samsung, Viacom, Sony, Star India, Vodafone, Titan, and Unilever. Brightcom works with agencies like Havas Digital, JWT, Mediacom, Mindshare, Neo@Ogilvy, Ogilvy One, OMD, Satchi&Satchi, TBWA, and ZenithOptimedia, to name a few.

Brightcom Group's global presence, including in the US, Israel, Latin America ME, Western Europe and Asia Pacific regions, positions us at the forefront of the digital landscape,





enabling us to support partners in their efforts to leverage and benefit from current global trends.

For more information please visit www.brightcomgroup.com

DISCLAIMER

This press release contains “forward-looking statements” – that is, statements related to future, not past, events. In this context, forward- looking statements often address our expected future business and financial performance, and often contain words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “should” or “will.” Forward- looking statements by their nature address matters that are, to different degrees, uncertain. For us, uncertainties arise from the behaviour of financial and digital marketing industry, and fluctuations in exchange rates; from future integration of businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different from those expressed in our forward-looking statements. We do not undertake to update our forward- looking statements.

