

**Zinc Media Group plc (“Zinc Media” or the “Group”)**

**Issue of Equity**

**Payment of Tern Television earnout, issue of earnout shares and conversion of preference shares**

Zinc Media is pleased to announce that, following a strong trading performance by Tern Television Productions Limited (“Tern Television”) in the period since acquisition in October 2017, the first-year earnings target was achieved.

The first year earnout payment, payable to the vendors of Tern Television (the “Vendors”) in accordance with the terms of the share purchase agreement (the “SPA”), is £0.75m, to be satisfied partially in cash and partially in new Zinc Media Group shares. £562,500 will be settled in cash and £187,500 will be settled through the issue to the Vendors of 39,473,685 new ordinary shares (the “Earnout Shares”) at a price of 0.475p per share, being the average market price for the 30 business days prior to 29 October 2018. The Earnout Shares are subject to lock-in and orderly market provisions under the SPA. The cash element of the earnout payment will be satisfied from the Group’s existing resources.

The Company has also offered Herald Investment Trust plc (“Herald”), the holder of the Company’s remaining preference shares, the option to convert such number of preference shares into ordinary shares such that their current holding of ordinary shares of approximately 33.69 per cent. of the issued ordinary share capital is maintained. Herald will therefore convert £95,254 of preference shares into 20,053,469 new ordinary shares at a price of 0.475p per share to Herald at the same time as the issue of earnout shares to the Tern sellers. Following this conversion the preference share balance held by Herald will be approximately £0.8 million.

**Admission and Total Voting Rights**

Application has been made to the London Stock Exchange for the 59,527,154 new ordinary shares to be admitted to trading on AIM. Admission is expected to take place at 8.00 a.m. on 2 November 2018.

Following Admission, the issued share capital of the Company will consist of 1,419,113,435 Ordinary Shares, with one voting right each. The Company does not hold any shares in treasury.

The above figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA’s Disclosure Guidance and Transparency Rules.

**David Galan, Chief Executive Officer, commented:**

*“We are very pleased with the progress of Tern Television in the period post acquisition and their current year pipeline is very strong. Zinc Media is now one of the largest independent TV production companies in the UK and has a significant footprint in the regions, Scotland and Northern Ireland.”*

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