

24 June 2016

Murgitroyd Group PLC Acquisition and trading update

Acquisition

The Board of Murgitroyd Group PLC (“the Group”) announces that its principal operating subsidiary, Murgitroyd & Company Limited (“Murgitroyd”), yesterday, completed the acquisition of certain trade and assets from Dallas-based MDB Capital Group, LLC (“MDB”) and Managua-registered Patentvest S.A. (“Patentvest”), including employee and client contracts of MDB’s IP Software & Services Group.

The consideration of \$2.43m, paid at completion, included the value of the tangible assets, IT systems and records, and will be part-funded through a new term loan facility with the balance funded from existing Group resources. The transaction is anticipated to be broadly earnings neutral in its first year. In the twelve months to 31 May 2016, MDB’s IP Software & Services Group generated gross revenues of approximately \$860,000.

US Patent Attorneys, Michael Chernoff and John Wootress, based in the USA and Nicaragua respectively, along with eighteen staff, including sixteen Managua-based Patent engineers predominantly engaged in US Patent searching, have transferred to Murgitroyd.

Commenting on the acquisition, Chairman of the Group, Ian Murgitroyd, said: “This acquisition reflects our strategy of offering a comprehensive suite of IP advisory and support services to global companies and international law firms in the Group’s largest geographical market, the USA, with the objective of increasing Murgitroyd’s market share of high value European Patent Attorney services purchased by them.”

Mr Chernoff, MDB’s Chief Intellectual Property Officer, who joins Murgitroyd as Director, IP Strategy and Portfolio Management, was previously Director of Legal Services, Patent Operations at Accenture, and also has experience as a Patent Examiner at the United States Patent and Trademark Office. Mr Wootress, Director of Intellectual Property at MDB, joins Murgitroyd as Director, IP Research and Analysis. Prior to joining MDB, he was Deputy General Counsel for Belkin International, Inc.

Commenting on the opportunities arising from the transaction, Group Deputy Chairman, and Murgitroyd CEO, Edward Murgitroyd, said: “I am delighted that Murgitroyd is extending its IP support services offering through the expansion of its IP strategy and Patent searching capabilities with the addition of Michael and John, and their team, and I believe this will augment existing sales channels used to win significant, higher-margin, European Patent Attorney work.”

Trading update

The Group also today announces a trading update for the financial year ended 31 May 2016.

Consistent with its Interim Results announced in February, the Group has continued to see revenue growth in the second half of the financial year. The Board therefore expects to report revenue in excess of £42m for the financial year ended 31 May 2016, and profit before taxation broadly in line with market expectations.

Notwithstanding the acquisition announced above it is also expected that again an increased final dividend will be recommended.

Chairman

The announcement of preliminary annual results in September 2015 included a statement to the effect that Group Chairman Ian Murgitroyd intended to move from Executive to non-

Executive Chairman. The Board now confirms that this transition will take place with effect from the conclusion of the Annual General Meeting, in October 2016.

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