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Press Release: Update - Indaba Capital Questions Stagwell's Desired Appointment of Madison Avenue Partners' Eli Samaha to MDC's Board Given Apparent Link to Mark Penn on 07/16/2021

Source Document (<https://www.businesswire.com/news/home/20210716005344/en/>)

Indaba Capital Questions Stagwell's Desired Appointment of Madison Avenue Partners' Eli Samaha to MDC's Board Given Apparent Link to Mark Penn

Highlights that Mr. Samaha has Disclosed to Fellow MDC Shareholders, Including Indaba, that Madison's Principal Investor is a Long-Time Friend of Mr. Penn

Reinforces that Transaction Process is Plagued by Alarming Conflicts and Emerging Interlocks, Which Bode Poorly for the Combined Entity's Corporate Governance

July 16, 2021 10:40 AM Eastern Daylight Time

SAN FRANCISCO--(BUSINESS WIRE)--Indaba Capital Management L.P. (together with its affiliates, "Indaba" or "we"), which is the largest unaffiliated shareholder of MDC Partners Inc. (NASDAQ: MDCA) ("MDC" or the "Company"), today questioned Stagwell Media LP's ("Stagwell") announcement of its intention to recommend the appointment of Eli Samaha of Madison Avenue Partners, LP ("Madison") to the newly-combined entity's Board of Directors (the "Board").

Derek Schrier, Managing Partner of Indaba, commented:

"In direct conversations with Indaba, Mr. Samaha disclosed that Madison's principal investor is a high school classmate and long-time, ongoing friend of Mark Penn, the Chairman and Chief Executive Officer of MDC and Managing Partner of Stagwell. We have received feedback from other MDC shareholders that Mr. Samaha disclosed similar information to them. Stagwell's July 15th press release omits Madison's link to Mr. Penn while boasting that Mr. Samaha 'will bring strong independent perspective' to the Board. This seemingly deceptive stunt reinforces to us that this transaction process is plagued by alarming conflicts and concerning interlocks. It gives us great concern that Stagwell and Mr. Penn appear to have disregarded the need for transparency with MDC shareholders when announcing Madison's support and Mr. Samaha's possible service as a director.

At bottom, last night's development reinforces our opposition to the transaction on its current terms. It is clear to us that Mr. Penn will say anything to get his way. This type of operating mentality is a flashing red light when it comes to corporate governance."

About Indaba Capital

Indaba was founded in 2010 to invest in corporate equity and debt. Based in San Francisco, Indaba currently has more than \$1.5 billion in assets under management. Learn more at www.IndabaCapital.com.

Contacts

MKA

Greg Marose / Charlotte Kiaie, 646-386-0091

gmarose@mkacomms.com / ckiaie@mkacomms.com