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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

S4 Capital plc **8 October 2019**

S4 Capital plc

("S^{4}Capital" or the "Company")

Merger of MediaMonks and Firewood Marketing Inc. ("Firewood")

Firm Placing and Placing and Open Offer of 70,422,535 New Ordinary Shares in the Company

and

Notice of General Meeting

MediaMonks merges with Firewood, Silicon Valley's largest digital agency[1] to take S^{4}Capital's purely digital faster, better, cheaper model to a new level

S^{4}Capital plc (SFOR.L), the new age, new era digital advertising and marketing services company, announces that its digital global content practice MediaMonks today merges with Firewood, an international digital marketing agency built on extensive partnerships with some of the world's best-known technology brands. Firewood is the largest independent agency in Silicon Valley and, along with MediaMonks, has recently been ranked as one of the fastest growing agencies by Adweek. Firewood is a leading proponent of the "embedded" model of client partnership, a deeply collaborative way of working with clients to deliver on speed, quality and value. A video introducing Firewood can be viewed on MediaMonks' YouTube channel.

Founded in 2010 by Juan and Lanya Zambrano, Firewood offers a broad range of digital capabilities including creative, strategy and planning, performance media and technology services. Headquartered in San Francisco, the agency employs over 300 people in 7 offices across the Americas and Europe, in San Francisco, Mountain View, Sandpoint, New York, Dublin, London and Mexico City. Revenues are targeted to reach $73 million in 2019[2], up over 30% on 2018 and have grown by over 60% and 70% in the years 2017 and 2018. Earnings before interest depreciation and amortisation ("EBITDA ") and EBITDA margins have also grown very strongly over the same period. Consideration will be $112,500,000, approximately half in cash and half in S^{4}Capital Ordinary Shares, on completion. A further payment of $37,500,000 will be made on publication of Firewood's accounts for 2019, if budgeted EBITDA is reached.

Firewood employs a pioneering and disruptive engagement model with their roster of well-known clients including Facebook, Google, LinkedIn, Salesforce and VMware. To combat the inefficiencies found in traditional agencies, Firewood deploys teams of creative and strategic marketing professionals who work as extensions of their clients' internal marketing team. Their client/agency partnership model is based on the three core principles of collaboration, integration and flexibility. Firewood's approach has been embraced by clients seeking a more agile, efficient and transparent way of working.

For S^{4}Capital, today's announcement is another important strategic step towards delivering a purely digital, first party data-driven, faster, better and cheaper content and programmatic offer for clients worldwide, with a unitary business model.

Sir Martin Sorrell, Senior Monk and Executive Chairman of S^{4}Capital said: "This merger is a further step in creating a new era communications services leader. Firewood has an enviable client list comprising many of Silicon Valley's finest; and we are delighted to welcome Juan, Lanya and their colleagues to the S^{4}Capital family. We will now have over 1,800 professionals in 23 countries, with over 500 in each of two nodes, one in Silicon Valley and one in Amsterdam."

Wesley ter Haar, Founding Monk and COO of MediaMonks said: "Firewood's "embedded" approach will allow us to build deeper and broader relationships with our clients, helping us work in a more flexible, collaborative and integrated way."

Lanya Zambrano, Founder and President of Firewood commented: "This merger is recognition of all our people. The richness of our differences creates our collective value. We embrace finding diverse talent; as a certified Women/Minority-owned Business Enterprise, 38% of our employees are from diverse ethnic backgrounds, 67% are women, and our leadership team is comprised of nearly 64% women. We look forward to developing further a new, disruptive model in the communications industry with MediaMonks and S^{4}Capital as further proof that diversity is an intrinsic part of our industry's future."

Juan Zambrano, Founder and CEO of Firewood commented: "We came from the client world and had a very different and non-agency mindset. From day one, we created an integrated and disruptive model built on transparency and collaboration that supported becoming extensions of our clients and something that other agencies weren't doing. We are delighted to be teaming up with MediaMonks and joining the S^{4}Capital platform. We believe this is an exciting next step for our clients and colleagues and we look forward to continued growth and success."

Further information on the Firewood Merger and the Issue is set out below and in the Prospectus which the Company expects to publish today. Further information on the General Meeting is set out in the Circular which the Company expects to publish today.

[1] https://www.bizjournals.com/sanjose/subscriber-only/2019/08/30/largest-advertising-marketing-and-pr.html
[2] 2019 target revenue is based on based on contracted work as at 30 June 2019 and an existing pipeline of new client work for the remainder of the year as at 31 August 2019.

Enquiries

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For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this Announcement is being made on behalf of the Company by Sir Martin Sorrell, Executive Chairman. In addition, market soundings (as defined in MAR) were taken in respect of the Issue with the result that certain persons became aware of inside information (as defined in MAR), as permitted by MAR. This inside information is set out in this announcement. Therefore those persons that received inside information in a market sounding are no longer in possession of such inside information relating to the Company and its securities.

This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section below.

Expected timetable of events

Record Date for entitlements under the Open Offer	7 October 2019
Announcement of the Issue, ex-entitlement date, expected date and publication of	8 October 2019

Prospectus and Circular, Application Form and Forms of Proxy	
Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareowners	9 October 2019
Recommended latest time for requesting withdrawal of Open Offer Entitlements	4.30 p.m. on 17 October 2019
Recommended latest time for depositing Open Offer Entitlements into CREST	3.00 p.m. on 18 October 2019
Recommended latest time for splitting Open Offer Application Forms (to satisfy bona fide market claims only)	3.00 p.m. on 18 October 2019
Latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 22 October 2019
Latest time and date for receipt of Forms of Proxy and electronic proxy appointments via CREST	11.00 a.m. on 22 October 2019
Announcement of the results of the Open Offer	7.00 a.m. on 23 October 2019
Time and date of the General Meeting	11.00 a.m. on 24 October 2019
Results of General Meeting announced	24 October 2019
Admission and commencement of dealings in the New Ordinary Shares	8.00 a.m. on 25 October 2019
CREST stock accounts expected to be credited for the New Ordinary Shares	25 October 2019
Despatch of definitive share certificates for New Ordinary Shares (where applicable)	within 14 days of Admission

All references are to London times unless otherwise stated. The dates and times given are indicative only and are based on S^{4}Capital's current expectations and may be subject to change. If any of the times and/or dates above change, the revised times and/or dates will be notified to Shareowners by announcement through a regulatory information service.

<u>Further Information</u>

1. The Merger, the Issue and Additional Acquisitions

On 7 October 2019, the Company and certain of its subsidiaries, including its direct subsidiary, MergeCo, and Firewood entered into a merger agreement (the "**Merger Agreement**") pursuant to which, conditional upon Admission occurring, Firewood will merge with and into MergeCo with the effect that, following Admission, Firewood will be a wholly-owned direct subsidiary of the Company (the "**Firewood Merger**"). The transaction values Firewood at $150 million on a debt-free and cash-free basis and with normalised working capital, or at an enterprise value to EBITDA multiple of approximately 13.2x (based on unaudited EBITDA for the last twelve months ended 31 July 2019). The Firewood Merger is expected to be significantly accretive to adjusted basic net result per share in the first full financial year following Completion.

For the year ended 31 December 2018, Firewood generated revenue of $56.8 million which increased by 71.6 per cent. from $33.1 million in revenue for the year ended 31 December 2017 (unaudited), which in turn had increased by approximately 61 per cent. from the year ended 31 December 2016 (unaudited); and its EBITDA (unaudited) was $10.3 million which increased by 77.5 per cent. from $5.8 million for the year ended 31 December 2017, which in turn had increased by approximately 40 per cent. from the year ended 31 December 2016.

Further information on the terms of the Merger Agreement is set out below.

In order to fund the cash component of the consideration payable in respect of the Firewood Merger, which will be up to $77.5 million, and potential additional acquisitions, the Company proposes to raise gross proceeds of £100 million (£98.3 million net of expenses) through the issue of 70,422,535 New Ordinary Shares by way of a Firm Placing and a Placing and Open Offer at the Issue Price of 142 pence per New Ordinary Share. The Issue Price represents a premium of 1.4 per cent. to the Closing Price of 140 pence per Existing Ordinary Share on 7 October 2019 (being the last business day prior to the announcement of the Issue).

Further information on the Issue is set out below.

Aligned to its growth strategy, the Directors continue to evaluate opportunities for further growth through merger and acquisition to ensure the Company is best placed to deliver on its objectives. Over the past year, the Company has received approaches about potential acquisition targets both directly and through its advisors. This inbound activity continues at a rapid rate, but the Company has a disciplined, proactive and strategic approach aimed towards sourcing and reviewing acquisitions in two major categories:

(a) the Company has identified several important geographies where the Group does not currently have a presence, or is underweight, and it is reviewing opportunities to enter and/or upscale in these markets through merger and acquisition; and
(b) the Company is looking to expand its capabilities in key strategic areas, the broader focus being on Data, Digital Content and Programmatic Media, with specific service areas under consideration including: Marketplace/eCommerce, First-party Data & Analytics, Social Marketing, Performance Marketing, Marketing Cloud System Integration, Digital Transformation Consulting, Transcreation and Content Studios, as it continues to build service capabilities around the current products and software of companies such as Adobe, Amazon, Facebook Google and Salesforce.

Given the targeted consideration mix for acquisitions by the Group is 50 per cent. cash and 50 per cent. Ordinary Shares, and the fact that the majority of prospective potential merger and acquisition targets are of a smaller size and cash consideration than the Firewood Merger, the Directors anticipate completing several more potential acquisitions in the coming months using the additional proceeds.

The Group's strategy and implementation therefore continue to depend on availability of attractive acquisition targets and availability of obtaining funding on suitable terms to finance such acquisitions.

2. **Strategic Rationale and Expected Benefits of the Firewood Merger**

For the reasons set out below, the Directors believe that the Firewood Merger will further the implementation of the Company's objective of creating a new era, new media solution embracing data, content and technology in an always-on environment for global, multinational, regional and local clients and for millennial-driven digital brands.

Key industry trends and the opportunity

The Directors have identified a number of key trends in the marketing and communication services industry. These include:

Pace

Technology has accelerated the speed and cadence in which clients go to market, reflecting consumers' hastening needs and shortened attention spans. At this increased pace, higher emphasis is placed on developing more content, faster, that is rooted in sound strategic direction and up-to-date and relevant expertise.

Drive for increased efficiency and effectiveness

Brands and marketers are focussed on efficiency in the delivery of marketing services. This encompasses both cost-effectiveness of premium creative content, technology solutions and consulting work, the speed with which they can be delivered and their responsiveness once employed. The Directors also believe that brands and marketers want to do more with less and are increasingly emphasising return on investment (ROI - i.e. sales generated by advertising spend).

Shift to digital

Digital advertising spend has grown rapidly since 2017 and is projected to continue this growth and represent a majority of global advertising spend by 2022.

Capability consolidation

Marketing services are frequently procured on a fragmented basis, with specialist agencies and other service providers taking ownership of only a small part of the delivery of a brand's marketing messages. The Directors believe that brands are increasingly emphasising the importance of an end-to-end delivery skill-set of the kind required to implement large scale and global digital transformation programmes and to take full ownership of the deployment of marketing messages.

Decoupling and in-housing

Brands are increasingly considering moving away from traditional agency relationships and considering instead either in-housing capabilities or engaging with creative production and technology services companies directly. The Directors believe the shift to decoupling and in-housing may be driven, in part, by a lack of transparency in the legacy agency model and a desire for greater control over the marketing process.

Change in World's Largest Brands and Largest Spenders

The inaugural "Brandz Top 100" Brands report in 2006 was led by Microsoft, GE and Coca-Cola.

BRANDZ^{TM} RANKING

#	Brand	Brand Value 2006 (US$ millions)
1	Microsoft	62,039
2	GE	55,834
3	Coca-Cola	41,406
4	China Mobile	39,168
5	Marlboro	38,510
6	Wal-Mart	37,567
7	Google	37,445
8	IBM	36,084
9	Citibank	31,028
10	Toyota	30,201

The latest version of the report in 2019 illustrates that, in the past decade, the profile of the world's largest brands has changed dramatically. It is now dominated by technology brands with 7 of the top 10 being internet technology brands.

	Brand	Brand Value 2019 (US$ millions)
1	Amazon	315,505
2	Apple	309,527
3	Google	309,000
4	Microsoft	251,244
5	Visa	177,918
6	Facebook	158,968
7	Alibaba Group	131,246
8	Tencent	130,862
9	McDonalds	130,368
10	AT&T	108,375

Combination benefits

In the context of the trends outlined above, the Directors believe that the combination of the MediaMonks Group and Firewood presents a compelling opportunity to create a highly-differentiated service offering underpinned by strategic consulting, efficient premium creative and content production, performance media and technology services that are all delivered via a hybrid in-housing model.

The Directors further believe that this combined offering could be a disruptive force in the advertising and marketing services industry, able to capitalise on the status quo evidenced by the shifts in brand and marketing approaches and priorities set out above. In addition, the Directors believe that the combination of the MediaMonks Group and Firewood, both fast growing businesses (and adjudged so by Adweek's fastest growing agency rankings), will facilitate additional expansion.

Deeper exposure to the US and digital marketing

The US remains by far the largest advertising market in the world. According to ZenithOptimedia, the US had $217.0 billion of advertising expenditure in 2018 compared to advertising spend of $85.2 billion in China. ZenithOptimedia predict spend in the US will reach over $250 billion in 2021. In addition, ZenithOptimedia estimates that digital (internet) advertising has risen from 12 per cent. of total global advertising spend in 2008 to become the dominant media with a 42 per cent. global market share in 2018. eMarketer estimates that in 2019 digital marketing spend in the US will grow by 19 per cent. to $129.3 billion (representing 54.2 per cent. of estimated total US advertising spending) and that by 2023, digital will surpass two-thirds of total media spending.

As Firewood is primarily focused on digital marketing in the US, the Firewood Merger will give the Group greater exposure to both the world's largest advertising market and the world's largest and fastest growing media segment.

Expanding the Group's largest client relationships

Prior to the Firewood Merger, Google and other Google Partners together comprise one of the Group's largest and most important clients and partners. MediaMonks works with various Google Stakeholders in the United States, the Netherlands, Singapore and in other countries. MightyHive is a certified partner across a broad spectrum of Google products, working with dozens of Google Partners. A stated goal of the Group is to have scaled relationships with its largest clients. Revenue generated by Google and other Google Stakeholders for the Firewood Group increased significantly during the financial years ended 31 December 2018 and 2017 respectively and represented a significant majority of the revenue generated by the Firewood Group for such financial years. The Firewood Merger will propel Google to become the Group's most significant client, with Google expected to generate a significant proportion of the Group's revenue following the Firewood Merger. The Directors believe that strengthening the Group's relationship and aligning with new era marketers like Google will position the Group for growth.

Broadening the Group's technology client portfolio

Firewood has built a client list dominated by the leading technology brands such as Facebook, Google, LinkedIn, Salesforce and VMware, amongst others. These clients are at various stages of embracing the "embedded" model and work in a collaborative and agile way. An important strategic objective for the Group is to align itself with the world's leading technology companies. The Group has targeted reciprocal relationships where technology companies become clients and it builds capabilities to provide services around its products (as is already evident in the Amazon, Facebook and Google relationships). The merger with Firewood allows the Group to significantly expand its technology client portfolio and its presence in San Francisco/Silicon Valley, the headquarters for many of the world's leading technology brands. Technology clients are also expanding their marketing budgets significantly faster than the overall market growth rate. According to analysis from Ad Age, spend from technology companies, in particular FANG (Facebook, Amazon, Netflix and Google – all of whom are clients of the Group), is expanding rapidly.

Worldwide spending since 2010 for Google parent Alphabet, Amazon, Facebook and Netflix has increased significantly. Facebook's advertising spending increased significantly to $1.1 billion in 2018 from $8 million in 2010, and Amazon's spending increased to $8.2 billion from $890 million.

Among the nation's 100 biggest advertisers, 65 companies increased US ad spending in 2018. FANG represented approximately 7 per cent. of the top 100's spending yet accounted for nearly 30 per cent. of the spending increase.

US spending increase for those 65 companies	$8.1 billion

US spending increase for FANG	$2.4 billion
FANG's portion of spending increase	29.6 per cent
US ad spending for 100 biggest advertisers	$131.0 billion
FANG's US ad spending	$8.9 billion
FANG's US spending as per cent. of top 100 advertisers' spending	6.8 per cent

As a result, the Directors believe the Firewood Merger will allow the Group to service these clients and deliver significant organic growth opportunities, as the Group grows alongside them.

Helping clients gain control with the "embedded" model as an alternative to "in-housing"

In-housing is an established and structural trend in the Marketing Services industry which has gained traction in recent years. A 2018 report from the Association of National Advertisers ("ANA") in the US stated that 78 per cent. of marketers claim to use an in-house agency, up from 58 per cent. in 2013. In Europe, a recent report commissioned by Bannerflow found that 91 per cent. of marketers have moved at least part of their digital marketing in-house. The ANA report noted that speed, transparency and the importance of data were key reasons that clients were moving more to an in-house model. The survey listed "creative" as the most common service for in-housing, and "media" and "programmatic" services were being brought in-house at the fastest pace.

The Directors believe "in-housing" in of itself is not the end goal of most clients, it is rather a symptom of their desire to take more control over the marketing process. In reality the decision to in-house occurs on a spectrum, and whilst most clients are moving along to the right and taking more control, very few end up at the fully in-housed extreme. Unlike traditional advertising holding companies, who, burdened by incumbency reject the trend of "in-housing"- or at best reluctantly go along with it, S^4Capital embraces this trend and has built a business model around it.

The traditional model of a client fully outsourcing all its marketing needs to an agency is primarily served by the traditional agency holding companies such as Omnicom, Publicis and WPP. These relationships were traditionally based on retainers but are increasingly moving to project-based scopes of work. In recent years clients have focussed on building their own repositories of first party consumer data and this has in turn lead to a focus on data-driven marketing. The desire for speed, responsiveness and greater value has led clients to explore moving further to the right hand side of this spectrum and take more control of their marketing process, experimenting with different models of engagement including in-housing. This has also been driven by a desire for greater transparency and accountability, especially in the area of creative production which was the subject of a US Department of Justice investigation in 2016, and media buying which is the subject of ongoing FBI and federal prosecutor investigations following the ANA's "An Independent Study of Media Transparency in the US Advertising Industry" published in 2016. However, despite the trade press and headlines highlighting this trend, few clients have moved to a fully in-house solution with no reliance on agencies/partners.

The Group has built a flexible business model which allows it to help clients establish where on this spectrum they should be operating and partners with them to deliver innovative solutions in a transparent manner. Unlike traditional agencies, who are protecting incumbent revenues and structures, the Group does not have any entrenched interests and can offer more independent advice.

MightyHive already operates across the full client engagement model spectrum: it has a managed service offering for clients and independent agencies who outsource their programmatic media to it. The bulk of its revenue comes from consulting with clients such as Mondelez and Pandora, helping them establish where on the spectrum they should operate, helping them decide on their programmatic technology stack, providing enterprise grade systems integration, data science and analytics around first party data and building and executing direct relationships with the major digital platforms such as Amazon, Facebook and Google. MightyHive also offers an in-housing solution for clients such as Sprint and Bayer who want to take full control over their programmatic media. It helps such clients make this transition and provides ongoing support, maintenance and training.

MediaMonks was originally established to provide digital creative production services to agencies at one end of the spectrum. As clients migrated to theother end of the spectrum, de-coupling production based on transparency and efficiency concerns, a need for greater speed, agility and demanding specialists who can deliver creative content and assets at scale, MediaMonks transitioned its model to work directly with clients and partners wherever they decide to operate on the spectrum. Recently, MediaMonks has been collaborating with clients such as Avon and Shiseido to build and operate dedicated content studios. The Firewood Merger is expected to extend MediaMonks service offering to the other end of the spectrum, allowing it to leverage the “embedded” model that Firewood has pioneered (displayed below) to work with clients in a flexible, collaborative and integrated way.

The Directors believe Firewood’s collaborative model of client engagement adds an important, complementary capability for the Group. Firewood seeks to combat the inefficiencies found in traditional agencies by deploying teams of creative and strategic marketing professionals, who work as extensions of their clients' marketing efforts. Firewood describes it as offering "Quality, Speed and Value", mirroring the Group’s "Faster, Better, Cheaper".

Talent

The Firewood Merger is expected to add over 300 experienced digital marketers to the Group who are experienced in both delivering and recruiting personnel who embrace a client-first, collaborative approach. Firewood was ranked as a 2018 "Best Place to Work" by the San Francisco Business Times and Silicon Valley Business Journal and has an annual turnover rate of just 15 per cent., half the industry average. The Directors believe the deep experience and capabilities of the founders and senior management of Firewood will complement the existing senior leadership at MediaMonks and MightyHive.

Cross- and up-selling opportunities

The Group and Firewood have complementary client portfolios and new business pipelines. The Directors therefore believe that the combination of the Group with Firewood would deliver an opportunity to leverage existing and future relationships to cross- and up-sell to existing and future clients.

As at the date of this announcement, the Group has over 1000 clients and Firewood has over 14 with a minimal number of three overlapping clients, offering significant scope for cross-selling between the two groups and an increased profile, especially on the West Coast of the US.

Costs synergies

While the focus of the Group and the Firewood Group is currently on revenue and gross margin growth, the Directors believe that the combination will present a number of opportunities to realise efficiencies. Such efficiencies may include combining certain central services of the Group and opportunistically exploring real estate synergies in certain locations.

3. The Merger Agreement

On 7 October 2019, the Company, its direct subsidiary, MergeCo, Firewood, the holders of Firewood Common Stock (including the Firewood stock ownership trust (the "**Firewood ESOP**")) and a representative of the selling security holders of Firewood entered into the Merger Agreement pursuant to which Firewood will merge with and into MergeCo with the effect that, following Admission, Firewood will be a wholly- owned indirect subsidiary of the Company.

The Firewood Merger values Firewood at up to $150 million on a debt-free cash-free basis and with normalised working capital, with $112.5 million of consideration payable at closing and up to an additional $37.5 million payable on publication of Firewood's annual accounts for the year ended 31 December 2019, if its budgeted EBITDA is reached.

At closing, the holders of the Firewood Common Stock (the "**Firewood Equityowners**") will be allotted 28,506,490 New Ordinary Shares at the Issue Price (the "**Consideration Shares**") having an aggregate value of $49.9 million, representing approximately 48.3 per cent. of the consideration due to the Firewood Equityowners under the Merger Agreement. The remaining consideration payable at closing to the Firewood Equityowners ($53.3 million, or 51.7 per cent. of the consideration due at closing to the Firewood Equityowners) will be settled in cash on the date of Admission. However, if the 30-day volume weighted average price ("**VWAP**") of the Company's Ordinary Shares as at the close of trading two business days prior to Admission measured in US dollars at the exchange rate at that time were to decline below the US dollar equivalent of the Issue Price at signing so that the equity value of the share consideration was less than 40 per cent. of the total merger consideration, the Firewood Equityowners would be entitled to request that a greater number of Consideration Shares at the Issue Price form part of the total merger consideration, along with a corresponding decrease in cash consideration, in order for the equity value of the share consideration (based on the 30-day VWAP) to represent at least 40 per cent. of the total merger consideration. If the Company were required to issue Consideration Shares in addition to the number covered by the Prospectus, the Company will publish a prospectus or supplementary to the Prospectus in the event such additional Consideration Shares (together with any other relevant Ordinary Shares not covered by a prospectus and issued over the previous 12 months) were to represent 20 per cent. or more of the Company's Existing Ordinary Shares.

At closing, the holders of restricted stock units ("**RSUs**") in Firewood will have their RSUs accelerated and at closing will receive, in aggregate, 2,564,936 New Ordinary Shares and $4.8 million in cash. They will also receive deferred consideration, in the event that it becomes payable.

The Firewood ESOP will receive 100 per cent of its consideration in cash.

Key Firewood executives will also enter into long-term employment arrangements in connection with the Firewood Merger.

Pursuant to the Merger Agreement, the Company also agreed to establish a $5 million share option plan for the people of the Firewood Group. Pursuant to the plan, options will be issued by the Company over new Ordinary Shares at market price (or the Issue Price in relation to the initial grant of options). Half of the options to be granted to people will be subject to group performance criteria and the other half (which will be granted equally to the same people) will be subject to performance criteria set for individual people. The performance criteria will be tested after each of the four financial year ends post grant. Where criteria are met, the options will then vest on the second anniversary of meeting the criteria.

Under the Merger Agreement, the Group has the benefit of certain representations and warranties relating to the Firewood Group, its business and operations. $4.7 million of the cash payable upon closing of the Merger Agreement and 2,410,714 New Ordinary Shares will be placed into escrow accounts, from which, subject to the applicable deductible, the Group will be able to recover general losses arising from a breach of warranty. A further amount may be payable into escrow in the event that any deferred consideration is paid. Under the Merger Agreement, the Group has also made certain warranties and representations as to its capacity and authority and as to the accuracy and completeness of this announcement. If such warranties and representations are breached, the Group has agreed to indemnify the selling security owners of Firewood for losses caused by such breach. Completion of the Firewood Merger pursuant to the Merger Agreement is conditional upon, inter alia: the representations and warranties made by the parties remaining true and correct; key executives of Firewood having entered into and not repudiated their service agreements, non-competition agreements and Firewood Lock-in Deeds; and the Issue Resolution passing. However, if the Issue Resolution fails to pass by the requisite majority, the Company is obligated to use its best efforts to raise sufficient funds in combination with cash available for the purposes of the Firewood Merger to complete the Firewood Merger, pursuant to the outstanding authorities granted to the Directors at the AGM. If the Company were unable to do so by 15 December 2019, the Firewood Merger would not complete, and the Company would have no further obligations to Firewood or the Firewood Equityowners.

4. Reasons for the Issue and the Use of Proceeds

The Company is proposing to raise net proceeds of £98.3 million pursuant to the Firm Placing and the Placing and Open Offer of 70,422,535 New Ordinary Shares at an Issue Price of 142 pence per New Ordinary Share. Following Admission, the Company's principal use of the net proceeds of the Issue will be to pay the cash payment of $77.5 million due under the Merger Agreement. Such cash payment is in addition to the remaining $72.5 million which will be payable in Consideration Shares, as required under the Merger Agreement.

Of the remaining approximately £35.2 million from the net proceeds, £2.7 million is expected to be used to meet other expenses arising in connection with the Firewood Merger and Admission. The remaining approximately £32.5 million of net proceeds is expected to be used for general corporate purposes, to part fund potential acquisitions and to implement the Company’s strategy.

Pursuant to the terms of the Merger Agreement, the Company is also proposing to issue 41,428,571 Consideration Shares pursuant to the Consideration Issue at the Issue Price. The Issue is not subject to an underwriting commitment on a firm commitment basis.

5. Current Trading and Prospects of the Group

On 11 September 2019, the Company announced that the unaudited revenue of the Group for the six months ended 30 June 2019 was £88.0 million and that it had unaudited Gross Profit of £70.2 million and Operational EBITDA of £9.6 million for the same period. Since 30 June 2019, the business of the Group has performed in line with the expectations of its management and the Directors. The Group has, in accordance with its strategy also completed the IMA Merger and been focused on evaluating and consummating the Firewood Merger and completing the merger with Biztech, following the non-binding agreement of key terms in June 2019. The Group continues to review a number of other complementary opportunities to further expand the Group and deliver the Company's strategy of building a multi-national digital communication services business.

Since 31 December 2018, the Firewood Group has also continued to perform in line with the expectations of its management for the year to date.

6. Principal Terms of the Issue

The Company proposes to raise gross proceeds of £100 million (£98.3 million net of expenses) through the issue of 70,422,535 New Ordinary Shares by way of a Firm Placing and a Placing and Open Offer at the Issue Price of 142 pence per New Ordinary Share. The Issue Price represents a premium of 1.4 per cent. to the Closing Price of 140 pence per Existing Ordinary Share on 7 October 2019.

The terms of the Issue are set out in full in the Prospectus. You are recommended to read the whole of the Prospectus and not rely on any part of it. In particular you are recommended to read the "Risk Factors" section in that document.

Firm Placing

Pursuant to the Placing Agreement, the Joint Bookrunners have severally agreed to use their respective reasonable endeavours to procure Firm Placees for 36,506,852 New Ordinary Shares at the Issue Price representing gross proceeds of £51.8 million. The Firm Placed Shares are not subject to clawback and are not part of the Placing and Open Offer.

The terms and conditions of the Firm Placing are set out in placing letters that have been sent to each Firm Placee.

Placing and Open Offer

The full terms and conditions of the Open Offer will be set out in the Prospectus. The Open Offer Shares have been conditionally placed with institutional investors by the Joint Bookrunners, subject to clawback to satisfy valid applications by Qualifying Shareowners under the Open Offer.

The Open Offer Shares are being offered to Qualifying Shareowners by way of the Placing and Open Offer (representing gross proceeds of £48.2 million at the Issue Price). Subject to certain limited exceptions, at the sole discretion of the Company, in consultation with the Joint Bookrunners, excluded Overseas Shareowners will not be able to participate in the Open Offer. The Open Offer provides an opportunity for Qualifying Shareowners to participate in the fundraising (subject to compliance with applicable securities laws) by subscribing for their Open Offer Entitlement. Qualifying Shareowners will have an Open Offer Entitlement of:

1 Open Offer Share for every 10.764 Existing Ordinary Shares

registered in the name of the relevant Qualifying Shareowner on the Record Date and so in proportion to any other number of Existing Ordinary Shares held (that is, not including any allocations made in respect of the Firm Placing or the Placing).

The Open Offer is being made on a pre-emptive basis to Qualifying Shareowners and is not subject to scaling back. Pursuant to the Placing Agreement the Joint Bookrunners have severally agreed to use their respective reasonable endeavours to conditionally place all of the Open Offer Shares with institutional investors at the Issue Price subject to clawback to satisfy valid applications by Qualifying Shareowners under the Open Offer. Any New Ordinary Shares that are available under the Open Offer and are not taken up by Qualifying Shareowners pursuant to their Open Offer Entitlements will be placed under the Placing.

Director Participation

The Directors are interested in an aggregate of 135,715,695 Ordinary Shares (representing approximately 37.2 per cent. of the Existing Ordinary Shares). Sir Martin Sorrell, Scott Spirit, Oro en Fools B.V. (the joint personal holding company of Victor Knaap and Wesley ter Haar) ("**Oro en Fools**"), Peter Rademaker, Rupert Faure Walker, Sue Prevezer and Daniel Pinto have irrevocably undertaken to take up their Open Offer Entitlement (representing 15,594,468 New Ordinary Shares). Paul Roy has undertaken not to take up any of his Open Offer Entitlements which represent 147,980 New Ordinary Shares.

Sir Martin Sorrell, Scott Spirit, Peter Rademaker, Rupert Faure Walker, Paul Roy (through an intermediary), Sue Prevezer and Daniel Pinto (together, the "**S4 Firm Placees**") have agreed to subscribe for, in aggregate, 13,675,734 New Ordinary Shares pursuant to the Firm Placing; and Sir Martin Sorrell, Scott Spirit, Oro en Fools, Peter Rademaker, Rupert Faure Walker, Sue Prevezer and Daniel Pinto (together, the "**S4 Placees**") have agreed to subscribe for, in aggregate, 15,594,468 New Ordinary Shares pursuant to the Placing, which will be subject to clawback in order to satisfy valid applications of Qualifying Shareowners under the Open Offer. To the extent the S4 Placees take up their respective Open Offer Entitlements, their conditional commitment under the Placing will be reduced by a corresponding number of New Ordinary Shares.

Daniel Pinto is the CEO of Stanhope Capital Group, which manages SEF4 Investment SCSp ("**Stanhope**"). Stanhope have irrevocably undertaken to take up their respective Open Offer Entitlements (representing 2,553,228 New Ordinary Shares). Stanhope has also agreed to subscribe for 8,500,000 New Ordinary Shares pursuant to the Firm Placing and 8,200,000 New Ordinary Shares pursuant to the Placing, which will be subject to clawback in order to satisfy valid applications of Qualifying Shareowners under the Open Offer.

Sir Martin Sorrell has been a member of Stanhope Capital Group's Advisory Board since September 2011 but is not involved in its investment decision in relation to the Company.

7. Shareowner Approval and Notice of General Meeting

The Issue requires Shareowner approval to grant the Directors authority to allot and issue the New Ordinary Shares as if the applicable statutory pre-emption rights did not apply. The Notice convening a General Meeting to be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 11.00 a.m. on 24 October 2019 will be sent to Shareowners in the Circular. The purpose of the General Meeting is to consider, and if thought fit, pass the Resolutions, to (among other things) approve the Issue as set out in full in the Notice of General Meeting.

The Issue Resolution proposes that the Directors be authorised to allot and issue up to 114,708,249 New Ordinary Shares on a non-pre-emptive basis in connection with the Issue and the Firewood Merger.

Sir Martin Sorrell holds the B Share, which, when voted against a resolution proposed at a general meeting of the Company, carries the right to such number of votes as may be required to defeat the relevant resolution. Sir Martin has given an irrevocable undertaking to vote the B Share in favour of all resolutions at the General Meeting; accordingly, it shall carry one vote.

Irrevocable undertakings to vote in favour of the Resolutions have been received from 10 Shareowners representing 34.8 per cent. of the Existing Ordinary Shares.

The Issue will not proceed unless the Issue Resolution is passed by the requisite majority, and the Firewood Merger is conditional upon the Issue Resolution passing.

However, according to the terms of the Merger Agreement, if the Issue Resolution fails to pass, the Company is obligated to use its best efforts to raise sufficient funds in combination with cash available for the purposes of the Merger to complete the Merger, pursuant to the outstanding authorities granted to the Directors at the AGM. If the Company were unable to do so by 15 December 2019, the Firewood Merger would not complete, and the Company would have no further obligations to Firewood or the Firewood Equityowners.

8. Overseas Shareowners

The availability of the New Ordinary Shares under the terms of the Open Offer to Shareowners not resident in the UK may be affected by the laws of the relevant jurisdiction where they are resident. Such persons should inform themselves about and observe any applicable requirements. Further details in relation to Overseas Shareowners will be contained in the Prospectus.

9. Admission and Prospectus

Application will be made to the FCA for admission of the Placing Shares to the standard listing segment of the official list maintained by the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for admission to trading of the New Ordinary Shares on the London Stock Exchange's main market for listed securities (together, "**Admission**").

In connection with Admission, S^{4}Capital expects to publish the final Prospectus today, following approval by the FCA in accordance with the Prospectus Rules.

10. Availability of Documents

The Prospectus, Circular and Form of Proxy will, once published, be available at S^{4}Capital's registered office at 12 St James's Place London SW1A 1NX, and S^{4}Capital's website, www.s4capital.com.com, subject to certain access restrictions. They will also be submitted to the UK Listing Authority via the National Storage Mechanism and will be available to the public for inspection shortly after their publication at www.morningstar.co.uk/uk/NSM.

This announcement contains inside information.

LEI: 21380068SP9V65KPQN68

Important Notice

This announcement has been prepared by, and is the sole responsibility of, the Directors of S4 Capital plc.

This announcement is an advertisement and does not constitute a prospectus relating to the Company and does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company in any jurisdiction nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with or act as any inducement to enter into, any contract therefor. Investors should not make any decision to purchase, subscribe for, otherwise acquire, sell or otherwise dispose of any New Ordinary Shares referred to in this announcement except on the basis of the information contained in the Prospectus published by the Company.

Recipients of this Announcement who are considering acquiring New Ordinary Shares following publication of the Prospectus are reminded that any such acquisition must be made only on the basis of the information contained in the Prospectus which may be different from the information contained in this announcement.

The New Ordinary Shares have not been, nor will they be, registered under the US Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Australia, Canada, Japan, or South Africa. Subject to certain exceptions, the Ordinary Shares may not be offered or sold in the United States, Australia, Canada, Guernsey, Jersey, Japan, Hong Kong Special Administrative Region of the People's Republic of China or Switzerland or to or for the account or benefit of any national, resident or citizen of Australia, Canada, Guernsey, Jersey, Japan, Hong Kong Special Administrative Region of the People's Republic of China or Switzerland or any person located in the United States. The Issue and the distribution of this Announcement in other jurisdictions may be restricted by law and the persons into whose possession this Announcement comes should inform themselves about, and observe, any such restrictions.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained herein are forward-looking statements and are based on current expectations, estimates and projections about the potential returns of the Company and the Group and the industry and markets in which the Group will operate, the Directors' beliefs, and assumptions made by the Directors. Words such as "expects", "should", "intends", "plans", "believes", "estimates", "projects", "may", "targets", "would", "could" and variations of such words and similar expressions are intended to identify such forward-looking statements and expectations. These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, qualify or quantify. Therefore, actual outcomes and results may differ materially from what is expressed in such forward-looking statements or expectations. Among the factors that could cause actual results to differ materially are: the general economic climate, competition, foreign exchange fluctuations, changes of strategic direction, minority shareowner action, failure of internal controls, price and margin pressure, technology developments, systems or network failures, changes in customer requirements, failure of suppliers to deliver against contract, availability of suitable acquisition targets, interest rate levels, loss of key personnel, the result of legal and commercial due diligence, the availability of equity financing and/or debt financing on acceptable terms and changes in the legal or regulatory environment. These forward-looking statements speak only as at the date of this announcement.

This announcement contains certain forward-looking statements that are subject to certain risks and uncertainties, in particular statements regarding the Group's plans, goals and prospects. These statements and the assumptions that underline them are based on the current expectations of the Directors and are subject to a number of factors, many of which are beyond their control. As a result, there can be no assurance that the actual performance of the Group will not differ materially from the description in this announcement. Except as required by applicable law or regulation (including to meet the requirements of the Listing Rules, MAR, the Prospectus Rules and/or FSMA), the Company expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statements are based.

Investors should therefore consider carefully whether investment in the Company is suitable for them, in light of the risk factors to be outlined in the Prospectus, their personal circumstances and the financial resources available to them.

HSBC Bank plc and Dowgate Capital Limited

HSBC Bank plc ("**HSBC**"), which is authorised by the Prudential Regulation Authority ("**PRA**") and regulated in the UK by the PRA and the FCA, and Dowgate Capital Limited ("**Dowgate**"), which is authorised and regulated in the UK by the FCA, are each acting exclusively for the Company in connection with the Issue. Neither HSBC nor Dowgate will regard any other person (whether or not a recipient of this announcement) as a client in relation to the Issue and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in relation to Issue or any transaction, matter or arrangement described in this announcement. Apart from the responsibilities and liabilities, if any, which may be imposed upon HSBC and Dowgate by the FSMA or the regulatory regime established thereunder, none of HSBC, Dowgate or any of their respective affiliates or any of their or their respective affiliates' directors, officers, partners, members, employees or advisers ("**Representatives**") accepts any responsibility whatsoever, and no representation or warranty, express or implied, is made or purported to be made by any of them, or on their behalf, for or in respect of any act or omissions of the Company relating to the Issue and the contents of this announcement, including its accuracy, completeness, fairness, verification or sufficiency, or concerning any other document or statement made or purported to be made by it, or on its behalf, in connection with the Company, the New Ordinary Shares, the Issue, and nothing in this announcement is, or shall be relied upon as, a warranty or representation in this respect, whether as to the past or future. Each of HSBC, Dowgate and each of their respective affiliates and Representatives disclaim, to the fullest extent permitted by law, all and any liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of the acts or omissions of the Company in relation to the Issue this announcement or any such statement.

No representation or warranty, express or implied, is made by Dowgate or HSBC or any of their respective affiliates as to the contents of this Announcement, or for the omission of any material from this announcement, including its accuracy, fairness, completeness or verification in connection with the Company or the Issue and nothing in this Announcement is, or shall be relied upon as, a warranty or representation in this respect, whether as to the past or future. No liability whatsoever is accepted by either HSBC or Dowgate or any of their respective affiliates for the accuracy of any information or opinions contained in this Agreement or for the omission of any material information, for which the Company is solely responsible. Neither Dowgate nor HSBC has authorised the contents of, or any part of, this Announcement and no liability whatsoever is accepted by Dowgate or HSBC for the accuracy of any information or opinions contained in this document or for the omission of any information from this Announcement.

In connection with the Firm Placing and/or Placing and Open Offer, HSBC, Dowgate and any of their respective affiliates acting as an investor for their own account(s) may subscribe for New Ordinary Shares and, in that capacity, may retain, purchase, sell, offer or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or related investments in connection with the Firm Placing and/or Placing and Open Offer or otherwise. In addition, HSBC, Dowgate and their respect affiliates may enter into derivative transactions in connection with the Firm Placing and/or Placing and Open Offer, acting at the order and for the account of their business and may also purchase or hold New Order Shares as a hedge for these transactions. Accordingly, references in this announcement to Ordinary Shares being issued, offered, subscribed or otherwise dealt with should be read as including any issue or offer to, or subscription or dealing by, HSBC, Dowgate or any of their respective affiliates acting as an investor for its or their own account(s). Neither HSBC nor Dowgate (as applicable) intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Company Website

Neither the content of S^4Capital's website, nor the content on any website accessible from hyperlinks on its website for any other website, is incorporated into, or forms part of, this announcement nor, unless previously published by means of a recognised information service, should any such content be relied upon in reaching a decision as to whether or not to acquire, continue to hold, or dispose of, securities in S^4Capital.

The person responsible for arranging for the release of this announcement on behalf of S^4Capital is Scott Spirit, whose business address is 12 St James's Place London SW1A 1NX.

Non-IFRS financial measures

The Announcement includes unaudited non-IFRS measures and ratios, including EBITDA, which are not measures of financial performance under IFRS.

The Group defines EBITDA as profit or loss for the period before net finance costs, income taxes, depreciation and amortisation, impairment and gains/(losses) and disposal of non-current assets, changes in fair value of financial instruments, exchange differences, impairment losses, share-based compensation, gains/(losses) on disposal of financial instruments and other non-recurring costs/income.

Adjusted Operational EBITDA, as defined by the Company, is EBITDA adjusted for the exclusion of transaction related expenses and the amortisation of intangible assets related to acquisitions, which the Directors believe are non-recurring.

The Group defines Adjusted Operating Profit as Operating Loss adjusted for the exclusion of transaction related expenses and the amortisation of intangible assets related to acquisitions, which the Directors believe are non-recurring.

The Group defines Gross Profit as revenue net of third party costs, including pass-through costs to clients such as media spend, expenses incurred in shooting films, materials purchased for specific installation projects, external line production companies used when capacity is exceeded, and commissions.

EBITDA-based and Gross Profit-based measures and the related ratios are used by management as indicators of the Group’s operating performance. The Company is not presenting EBITDA-based or Gross Profit-based measures as measures of the Group’s results of operations. EBITDA-based and Gross Profit- based measures have important limitations as an analytical tool, and should not be considered in isolation or as substitutes for analysis of the Group’s results of operations.

Some of these limitations are:

- EBITDA-based measures do not reflect the impact of significant interest expense or the cash requirements necessary to service interest or principal payments in respect of any borrowings, which could further increase if the Group incurs more debt.
- EBITDA-based measures do not reflect the impact of income tax expense on the operating performance of the Group.
- EBITDA-based measures do not reflect the impact of depreciation of assets on the performance of the Group.
- EBITDA-based measures remove the impact of certain non-recurring items from the performance of the Group.

The assets of the businesses of the Group that are being depreciated will have to be replaced in the future and such depreciation expense may approximate the cost to replace these assets in the future. By excluding this expense from EBITDA-based measures, these measures do not reflect the future cash requirements of the Group for these replacements.

EBITDA and other non-IFRS measures should not be considered in isolation or as an alternative to profit from operations, cash flow from operating activities or other financial measures of the Group's results of operations or liquidity derived in accordance with IFRS. They have not been prepared in accordance with IFRS or the accounting standard of any other jurisdiction. The Company has included EBITDA, Gross Profit and other non-IFRS measures in this announcement, because it believes that they are useful measures of the Group's performance and liquidity. Other companies, including those in the Group's industry, may calculate similarly titled financial measures in a manner different to that of the Group. Because all companies do not calculate these financial measures in the same manner, the presentation of such financial measures in this announcement may not be comparable to other similarly titled measures of other companies. Neither EBITDA nor Adjusted Operational EBITDA is audited.

The Directors consider Adjusted Operational EBITDA and Adjusted Operating Profit to be a useful supplemental tool to assist in evaluating operating performance because it eliminates items related to depreciation, amortisation and exceptional items. As there are no generally accepted accounting principles governing the calculation of non-IFRS measures, other companies may calculate such financial data or operating measures differently or may use such financial data and operating measures for different purposes than the Group does, and such financial data and operating measures should therefore not be used to compare the Group against another company. Prospective investors should not consider such financial data or operating measures in isolation, as a substitute for or superior to financial information prepared in accordance with IFRS or as an indication of operating performance. The Directors report Adjusted Operating Profit in the financial statements of the Group.

Firewood Group historical financial information

The historical financial information of the Firewood Group has been prepared in accordance with US GAAP. There are material differences between US GAAP and IFRS as adopted by the European Union. Accordingly, the historical financial information of the Firewood Group should not be considered in isolation. Any unaudited pro forma financial information in this announcement contains certain adjustments to present the historical information relating to the Firewood Group in a manner consistent with that of the Group.

Furthermore, this announcement contains audited financial information for the Firewood Group for the financial year ended 31 December 2018 and unaudited financial information drawn from management accounts for the Firewood Group for the financial year ended 31 December 2017. The unaudited financial information for the financial year ended 31 December 2017 may not contain certain adjustments which could be deemed necessary to present the unaudited historical information in a manner that is entirely consistent with the audited financial information for the financial year ended 31 December 2018. However, the Directors believe that any such adjustments would not be material in the context of the Firewood Merger or the Group following the Firewood Merger and that the presentation of such unaudited financial information is useful in presenting the historical financial performance of the Firewood Group.

EBITDA, as presented in connection to the Firewood Group, is defined as profit or loss for the year before net finance costs, income taxes and depreciation and amortisation.

Adjusted EBITDA, as presented in connection to the Firewood Group is defined as EBITDA adjusted for non- recurring or exceptional items.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that the New Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, each of Dowgate and HSBC has only procured investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

Definitions

The following definitions apply throughout this Announcement, unless the context requires otherwise:

Admission	the admission of the New Ordinary Shares to the standard segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities;
Application Form	application form which accompanies the Prospectus for Qualifying non-CREST Shareowners for use in connection with the Open Offer;
B Share	the "B" ordinary share of £1.00 in the capital of the Company;
Circular	the circular of the Company dated on or about the date of this Announcement including a notice to convene the General Meeting;
Closing Price	the closing, mid-market price of an Existing Ordinary Share on 7 October 2019 (the last business day prior to the announcement of the Issue) as published by the London Stock Exchange;
Company or **S^4Capital**	S^4 Capital plc, a public company limited by shares incorporated in England and Wales with registered number 10476913;
Consideration Issue	the issue of 1,428,571 New Ordinary Shares pursuant to the Merger Agreement;
Consideration Shares	the new Ordinary Shares issued in the Consideration Issue;
CREST	the relevant system (as defined in CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear;
CREST Regulations	the UK Uncertificated Securities Regulations 2001 (as amended) including any modification or re-enactment thereof for the time being in force and such other regulations as are applicable to Euroclear and/or CREST;
Directors or **Board**	the board of directors of the Company comprised of Sir Martin Sorrell, Scott Spirit, Victor Knaap, Wesley ter Haar, Peter Kim, Christopher Martin, Peter Rademaker, Rupert Faure Walker, Paul Roy, Sue Prevezer, Daniel Pinto and Elizabeth Buchanan;
Dowgate	Dowgate Capital Limited, Joint Broker and Joint Bookrunner for the Company;
EU or **European Union**	an economic and political confederation of European nations which share a common foreign and security policy and co-operate on justice and home affairs;
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST;
Excluded Overseas Shareowners	(other than as agreed in writing by the Company and as permitted by applicable law) Shareowners who are resident or otherwise located in any Excluded Territory;
Excluded Territories	Australia, Canada, Guernsey, Japan, Jersey, Hong Kong Special Administrative Region of the People's Republic of China, the Republic of Ireland, Switzerland and the United States or territories for which the distribution of this Document and any accompanying documents or the making of the offer to subscribe for New Ordinary Shares pursuant to the Issue may constitute a violation of relevant securities laws and **"Excluded Territory"** shall mean any of them;
Existing Ordinary Shares	the 365,068,524 Ordinary Shares in issue as at the date of this Document;
FCA	the Financial Conduct Authority of the United Kingdom or any successor body;
Firewood	Firewood Marketing, Inc. an S Corporation registered in the USA with file number C3430605;

Firewood Common Stock	the issued and outstanding shares of common stock, no par value per share, of Firewood;
Firewood Equityowners	the holders of Firewood Common Stock (other than the Firewood ESOP);
Firewood Lock-in Deeds	the lock-in deeds entered into between each of the Firewood Equityowners and the Company, HSBC and Dowgate;
Firewood ESOP	the Firewood stock ownership trust;
Firewood Merger	the merger between Firewood and the Group pursuant to the Merger Agreement;
Firm Placee	any person who has agreed to subscribe for Firm Placed Shares pursuant to the Firm Placing;
Firm Placed Shares	The 36,506,852 New Ordinary Shares which the Company is proposing to issue pursuant to the Firm Placing;
Firm Placing	the subscription by the Firm Placees for the Firm Placed Shares;
Form of Proxy	the form of proxy enclosed with the Circular for use in connection with the General Meeting;
FSMA	the Financial Services and Markets Act 2000, as amended, modified or supplemented from time to time;
General Meeting	the general meeting of the Company convened by the Notice of General Meeting, to be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 11.00 am on 24 October 2019;
Google	Google Inc.;
Google Partners	Google, Google LLC and other Google related parties covered by the Google ISA or separate relationships with the Group;
Group	the Company and its subsidiaries from time to time;
HSBC	HSBC Bank plc, Joint Broker, Joint Bookrunner and principal bankers to the Company;
IFRS	the International Financial Reporting Standards, as adopted by the European Union;
IMA	IMAgency Holding B.V. and its subsidiaries from time to time;
IMA Merger	the merger with IMAgency Holding B.V. by MediaMonks pursuant to the IMA Merger Agreement;
IMA Merger Agreement	the share sale and purchase agreement dated 9 August 2019 relating to IMAgency Holding B.V.;
Issue	the Firm Placing and Placing and Open Offer;
Issue Price	142 pence per New Ordinary Share;
Issue Resolution	the Resolution numbered 1 in the Notice of General Meeting;
Joint Bookrunners	HSBC and Dowgate;
Listing Rules	the Listing Rules made by the FCA under Part VI of the FSMA;
Londong Stock Exchange	London Stock Exchange plc;
MAR	Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;
MediaMonks	the business owned and operated by the MediaMonks Group;
MediaMonks Group	MediaMonks Multimedia Holding B.V. and its subsidiaries from time to time;
Member State	a member of the EEA;
MergeCo	Firefly MergeCo, Inc., a corporation with limited liability incorporated and registered in Delaware, having its registered office at 850 New Burton Road, Suite 201, Dover, Delaware 19904 USA and with file number 7634014;

Merger Agreement	the merger agreement dated 7 October 2019 pursuant to which Firewood will, upon Admission, merge with and into MergeCo;
MightyHive	MightyHive, Inc.;
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended;
MiFID II Product Governance Requirements	Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, as well as local implementing measures;
New Ordinary Shares	the 70,422,535 new Ordinary Shares to be allotted and issued pursuant to the Issue and the 41,428,571 new Ordinary Shares to be issued pursuant to the Consideration Issue;
Notice of General Meeting	the notice convening the General Meeting set out at the end of the Circular;
Official List	the Official List of the FCA;
Open Offer	the conditional invitation to Qualifying Shareowners to apply for the Open Offer Shares at the Issue Price on a pre-emptive basis;
Open Offer Entitlement	the pro rata entitlement to subscribe for Open Offer Shares allocated to a Qualifying Shareowner pursuant to the Open Offer;
Open Offer Shares	the 33,915,683 New Ordinary Shares for which Qualifying Shareowners are being invited to apply at the Issue Price to be issued pursuant to the terms of the Open Offer;
Ordinary Shares	the ordinary shares of the Company, having a nominal value of £0.25;
Oro en Fools	Oro en Fools B.V., which is the joint personal holding company of Victor Knaap and Wesley ter Haar;
Overseas Shareowners	Shareowners who are resident in, ordinarily resident in, located in or citizens of, jurisdictions outside the UK;
Placing	the conditional placing by HSBC and Dowgate of the Placing Shares, subject to clawback pursuant to the Open Offer, on behalf of the Company on the terms and subject to the conditions contained in the Placing Agreement;
Placing Agreement	the Placing Agreement dated 8 October 2019 in relation to the Issue made between HSBC, Dowgate and the Company;
Placing Shares	the 33,915,683 New Ordinary Shares to be conditionally placed with institutional and certain other investors pursuant to the terms of the Placing;
Placee	any person who has agreed to subscribe for Placing Shares pursuant to the Placing;
Prospectus	the Prospectus of the Company dated on or about the date of this Announcement;
Qualifying CREST Shareowners	Qualifying Shareowners holding Ordinary Shares in uncertificated form;
Qualifying non-CREST Shareowners	Qualifying Shareowners holding Ordinary Shares in certificated form;
Qualifying Shareowners	holders of Ordinary Shares (other than Excluded Overseas Shareowners) on the Company's register of members on the Record Date;
Record Date	the record date for the Open Offer, being close of business on 7 October 2019;
Regulation S	Regulation S under the US Securities Act;
Regulatory Information Service	a service provided by the London Stock Exchange for the distribution to the public of announcements and included within the list maintained at the London Stock Exchange's website;

Resolutions	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting included with the Circular;
S^4 Firm Placees	Sir Martin Sorrell, Scott Spirit, Peter Rademaker, Rupert Faure Walker, Paul Roy (through an intermediary), Sue Prevezer and Daniel Pinto, each of whom have agreed to subscribe for New Ordinary Shares pursuant to the Firm Placing;
S^4 Limited	S^4 Capital 2 Limited (formerly S^4 Capital Limited), a private company limited by shares incorporated in Jersey with registered number 126474;
S^4 Placees	Sir Martin Sorrell, Scott Spirit, Oro en Fools, Peter Rademaker, Rupert Faure Walker, Sue Prevezer and Daniel Pinto, each of whom have agreed to subscribe for New Ordinary Shares pursuant to the Placing;
Shareowner	a holder of Ordinary Shares;
Standard Listing	a standard listing under Chapter 14 of the Listing Rules;
Stanhope	SEF4 Investment SCSp, acting by its General Partner, Portman Square General Partner S.à r.l.;
UK or **United Kingdom**	the United Kingdom of Great Britain and Northern Ireland;
Uncertificated or in **uncertificated form**	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by of CREST;
United States or **US**	has the meaning given to the term "United States" in Regulation S;
US Securities Act	the US Securities Act of 1933, as amended;

Glossary of Technical Terms:

FANG	Facebook, Amazon, Netflix and Google
Programmatic	buying digital advertising space automatically, with algorithms informed by data determining which advertising spaces to buy, how much to pay for them, and which ads to deliver in the acquired space;
ROI	return on investment, specifically sales generated by advertising spend;
Transcreation	‘translating’ original text from one language to another while also 'recreating’ the original text to make sure it is still appropriate in the context of the new audience and language;