18 March 2020

S^4 Capital plc
("S^4Capital" or the "Company")

Unaudited 2019 preliminary results

New age/new era digital marketing model continues to deliver strong growth

Financial Highlights

- Billings* £455.8 million and pro-forma** billings £513.2 million
- Revenue £215.1 million up 292% from £54.8 million, like-for-like *** up 41%, pro-forma up 37%
- Gross profit £171.3 million up 361% from £37.2 million, like-for-like up 44%, pro-forma up 39%
- Operational EBITDA**** £33.4 million up 612%, like-for-like up 51%, pro-forma up 47%
- Operational EBITDA margin 19.5%, up 6.9 margin points on 2018, like-for-like 18.6%, pro-forma 20.1%
- Operating loss £3.8 million, which includes adjusting items of £35.0 million (acquisition expenses and amortisation and share-based compensation), versus an operating loss of £8.5 million in 2018 and pro-forma operating profit of £2.5 million
- Result before income tax £9.2 million (loss), which includes adjusting items, versus a loss of £9.1 million in 2018 and pro-forma result before income tax of £2.8 million (loss)
- Result for the period £10.0 million (loss) which includes adjusting items after taxation versus £8.1 million (loss) in 2018 and pro-forma result for the period of £5.7 million (loss)
- Adjusted basic net result per share 5.2p versus 1.0p in 2018 and 6.0p pro-forma
- Basic and diluted net result per share 2.7p (loss) which includes adjusting items after tax versus 3.3p (loss) in 2018 and pro-forma adjusted basic net result per share 1.3p (loss)
- Year-end net cash***** £23.7 million, including the £42.4 million loan drawn to partly fund the combination with MediaMonks
- Good start to 2020 with January gross profit up over 30%, not seeing any material impact from Coronavirus, and will update the market appropriately

Operational Highlights in 2019 and Outlook

- In April, MightyHive merged with ProgMedia, a leading Brazil-based data and programmatic consultancy in Latin America and MediaMonks acquired the assets of robotic food and drink studio Caramel Pictures in Amsterdam
- In June, MediaMonks announced the combination with Adobe and digital transformation specialist BizTech. This transaction partially closed in December
- In August, MediaMonks combined with IMA, an Amsterdam and New York-based influencer marketing agency
- In October, MediaMonks combined with Firewood, the largest Silicon Valley-based independent digital agency and MightyHive with ConversionWorks and Datalicious, UK and South Korea- based data and analytics consultancies, partially funded by a £100 million equity raise
- In November, MediaMonks announced the combination with WhiteBalance, an Indian-based digital creative and production agency. This transaction is expected to close in April of 2020
- Post year end, in January 2020, MediaMonks announced its merger with Latin America-based digital agency, Circus Marketing. This transaction is expected to close in the first quarter of 2020
- The Group now has approximately 2,500 people in 30 countries, almost double where we were this time

last year

- Significant new business assignments from Google, SoFi, Amazon, Netflix, Facebook, P&G, Nestlé, The Coca Cola Company, AB Inbev, Vodafone, Merck, Shiseido, Akzo Nobel and Ace Hardware
- Current pipeline running at stronger level than last year
- Appointment of three leading female, technology experienced US, Japanese and Chinese Non-Executive Directors and industry knowledgeable Executive Director to the Board

*Billings is gross billings to client including pass through costs
**Pro-forma numbers relate to unaudited full year non-statutory and non-GAAP consolidated results in constant currency as if the group had existed in full for the year and have been prepared under comparable GAAP with no consolidation eliminations
***like-for-like relates to 2018 being restated to show the unaudited numbers for the previous year of the existing and acquired businesses consolidated for the same months as in 2019 applying currency rates as used in 2019
****Operational EBITDA is EBITDA adjusted for non-recurring items and recurring share-based payments and is a non-GAAP measure management uses to asses the underlying business performance
*****Net cash including bank loans

Sir Martin Sorrell, Executive Chairman of S^{4}Capital plc said:

"Our first full financial year was outstandingly successful. We grew our top line and bottom line at industry leading rates. We broadened and deepened our content and data and programmatic practices through organic growth and the addition of six content and three digital media and data companies. We integrated our client offering around our content and data and programmatic practices. We broadened and deepened our client roster. We achieved $ and £ Unicorn status in terms of stock market value. We have achieved brand awareness and brand trial. We now have to demonstrate that we can achieve significant client conversion at scale, both with existing and new clients. We have not seen a material impact from Coronavirus as yet and will update the market appropriately."

Results webcast and conference call

A webcast will be held at 9.00am GMT. A live audio webcast of the presentation will be available during the event at: https://webcasting.brrmedia.co.uk/broadcast/5e37f241b9710760e292523c

For Q&A:
UK: +44 (0)330 336 9125
US: +1 929-477-0324
Confirmation code: 7030503

A further conference call to cover the results will be held today at 8.00am EST / 12.00pm GMT:
US: +1 929-477-0402
UK: +44 (0)330 336 9411
Confirmation code: 4831927

Enquiries to:

S^{4}Capital plc +44 (0)20 3793 0003

Sir Martin Sorrell, Executive Chairman

Peter Rademaker, Chief Financial Officer

Scott Spirit, Chief Growth Officer

Powerscourt (PR Advisor) +44 (0)20 7250 1446

Elly Williamson

Jessica Hodgson

Dowgate Capital Limited (Joint Corporate Broker) +44 (0)20 3903 7715

James Serjeant

David Poutney

HSBC Bank plc (Joint Corporate Broker) +44 (0)20 7991 8888

Adrian Lewis

Sam Barnett

Sam Hart

About S^{4}Capital

S^{4}Capital plc (SFOR.L) is a new age/new era digital advertising and marketing services company established by Sir Martin Sorrell in May 2018.

Its strategy is to build a purely digital advertising and marketing services business for global, multi-national, regional, local clients and millennial-driven influencer brands. This will be achieved initially by integrating leading businesses in three areas: first party data, digital content, digital media planning and buying, along with an emphasis on "faster, better, cheaper" or “speed, quality and value” executions in an always-on consumer-led environment, with a unitary structure.

Digital is by far the fastest-growing segment of the advertising market. S^{4}Capital estimates that in 2019 digital accounted for approximately 45 per cent. or approximately $300 billion of total global advertising spend of $650 billion (excluding about $500 billion of trade support, the primary target of the Amazon advertising platform), and projects that by 2022 this share will grow to approximately 55 per cent.

S^{4}Capital integrated with MediaMonks, the leading, Advertising Age A-listed creative digital content production company, led by Victor Knaap and Wesley ter Haar, in July 2018, and with MightyHive, the market-leading programmatic solutions provider for future thinking marketers and agencies, led by Pete Kim and Christopher S. Martin, in December 2018. The Company has since added six content and three data and programmatic companies to its two content and data and programmatic practices.

Victor Knaap, Wesley ter Har, Pete Kim, Christopher S. Martin, Scott Spirit and Peter Rademaker (formerly Chief Financial Officer of MediaMonks, now Chief Financial Officer of S^{4}Capital), all joined the S^{4}Capital Board as Directors. The S^{4}Capital Board also includes Rupert Faure Walker, Paul Roy, Daniel Pinto, Sue Prevezer, Elizabeth Buchanan, Naoko Okumoto and Margaret Ma Connolly.

The company has a market capitalization of approximately £600 million ($750 million) and approximately 2,500 people in 30 countries, across the Americas, Europe, the Middle-East and Africa and Asia-Pacific.

Sir Martin was CEO of WPP for 33 years, building it from a £1 million “shell” company in 1985 into the world’s largest advertising and marketing services company with a market capitalization of over £16 billion on the day he left, in comparison to under £6 billion currently. Prior to that he was Group Financial Director of Saatchi & Saatchi Company plc for nine years.

Chairman's Letter

Dear Shareowner,

My Executive colleagues, Victor Knaap, Wesley ter Haar, Pete Kim, Christopher S. Martin, Peter Rademaker, Scott Spirit and I are delighted to present our first full year results for the period ending 31 December 2019 to all our shareowners.

In 2019, we continued to build our existing and new client base, with significant new assignments from Google, SoFi, Amazon, Netflix, Facebook, P&G, Nestlé, The Coca Cola Company, AB Inbev, Vodafone, Merck, Shiseido, Akzo Nobel and Ace Hardware. We have one or two "Whoppers" (clients with revenues over $20 million per annum) already, but we believe we now have several more potential "Whoppertunities".

2019 also saw significant strengthening and deepening of our content and data practices. MediaMonks added Caramel Pictures, a robotic food and drink studio, BizTech, an Adobe specialist, IMA an influencer marketing agency, Firewood, the largest Silicon Valley digital agency, announced WhiteBalance, an Indian-based creative digital agency and, finally, after the year end, Circus, a Latin American digital agency. MightyHive was no slouch either, adding data and programmatic consultancy ProgMedia in Latin America and two data and analytics consultancies, UK-based ConversionWorks and Korea-based Datalicious. All nine additions are being rebranded over time to the MediaMonks content brand and the MightyHive data and programmatic brand. In addition, separate offices are being consolidated on a city by city basis, as existing leases end and property consolidation opportunities arise. We are also starting to increasingly consolidate our strategic, client content and data and programmatic offer at the S^{4}Capital level.

Our focus on geographical expansion, particularly in Asia Pacific, was further underlined by the appointment of Scott Spirit to the Board of S^{4}Capital plc and as Chief Growth Officer. The Board was also strengthened by the appointment of three female Non-Executive Directors. Elizabeth Buchanan has extensive media agency experience in Australasia and the United States. Naoko Okumoto is well versed in Japanese and Silicon Valley internet businesses and Hong Kong-based Margaret Ma Connolly has a grounding in Asia-Pacific and, particularly, China.

Turning to the results themselves, we thought it would be most useful to compare the reported results not only with last year's reported results, but also on an unaudited like-for-like and unaudited pro-forma basis, particularly given the rapid inorganic expansion of the Company in 2019.

Billings were £455.8 million, up 671% on reported, up 46% like-for-like and up 47% pro-forma. Controlled Billings, that is billings we influenced in addition to billings that flowed through our income statement, were approximately $ 2.6 billion. Revenue was £215.1 million, up 292% reported, 41% like-for-like and 37% pro-forma. Gross profit was £171.3 million, up 361% reported, 44% like-for-like and 39% pro-forma. Operational EBITDA was £33.4 million, up 612% on reported, 51% like-for-like and 47% pro-forma. Operational EBITDA margin was 19.5% versus 12.6% reported in 2018, 18.6% like-for-like and 20.1% pro-forma. Adjusted basic net result per share was 5.2p versus 1.0p in 2018, 3.2p like-for-like and 6.0p pro-forma. Result for the period was £10.0 million (loss), versus a reported £8.1 million (loss) in 2018, like-for-like of £17.2 million (loss) and pro-forma of £.5.7 million (loss). Basic and diluted net result per share were 2.7p per share (loss), versus 3.3p (loss) in 2018, like-for-like 4.7p (loss) per share and pro-forma 1.3p per share (loss). Year-end net cash was £23.7 million, despite taking out a £42.4 million loan to partly fund the MediaMonks combination. In line with our first half statement in September 2019, Operational EBITDA margins improved significantly in the second half from 13.7% to 23.5%, as the first half increased investment in people yielded higher productivity in the second half.

Pro-forma billings were £513.2 million. Pro-forma revenue was £271.0 million and pro-forma gross profit was £224.2 million up 37% and 39% respectively on 2018. Pro-forma operational EBITDA was £45.0 million, up 47% on 2018, with operational EBITDA margin at 20.1%, up 1.1 margin points on the previous year. Pro-forma adjusted operating profit excluding adjusting items of £40.0 million, was £42.5 million, up 47% on the previous year. Pro-forma adjusted pre-tax profits were £37.1 million versus £23.6 million in the previous year, up 58%. Pro-forma adjusted result for the period was £27.0 million, up 52%. Adjusted pro-forma basic earnings per share before exceptional items were 6.0p, up from 3.9p in the previous year. In accordance with our previously announced policy, your Board will not declare a dividend, particularly bearing in mind the need to balance funding future growth versus immediate shareowner return, but will be considering the payment of a nominal dividend in the future.

By geography, on a pro-forma basis, the Americas accounted for 71% of gross profit against 72% in 2018. Europe, the Middle-East and Africa represented 22% of gross profit against 24% in 2018. Asia-Pacific represented 7% of gross profit against 4% in 2018. Gross profit was up 39% in the Americas, 27% in Europe, Middle-East and Africa and 107% in Asia-Pacific. Our long- term objective is to achieve a geographic distribution of 40% in the Americas, 20% in Europe, the Middle-East and Africa and 40% in Asia-Pacific, particularly given the likely continuing rise of China and India.

By practice, on a pro-forma basis, digital content accounted for 73% of gross profit against 76% in 2018. The data and programmatic practice represented 27% of gross profit against 24% in 2018. Gross profit was up 33% at the content practice and 59% at the data and programmatic practice. Our long-term objective is to achieve a practice distribution around two-thirds content and one-third data and programmatic, emphasising the growing importance of digital video.

Significant new business wins include assignments from Google, SoFi, Amazon, Netflix, Facebook, P&G, Nestlé, The Coca Cola Company, AB Inbev, Vodafone, Merck, Shiseido, Akzo Nobel and Ace Hardware amongst others. Our current pipeline is ahead of last year's level.

The Environment, Society and Governance

In 2019, the Company upped its game significantly in all three areas. We actively track our CO^2 emissions and perform better than average compared to a sample of other companies. We have committed to achieve zero greenhouse gas emissions by 2024, in response to the World Economic Forum 2020 Davos Manifesto.

Last year, we averaged a 1.01 female to male ratio in our Content practice and 0.80 in our Media practice.

Across S^4Capital we donated to 28 charities and, in addition, aim to contribute to society and the needs of the planet with our Projects for Good, which are all related to the United Nation's Sustainable Development Goals. In 2019, we delivered 20 Projects for Good.

We also launched S^4 Impact Day globally, a volunteering day when all our 2500 people in 30 countries can tangibly give back to their communities of which they are a part.

As regards Governance, we significantly enhanced the Board with the addition of four new Directors of whom three were female as mentioned above.

Outlook and current trading

All-in-all, we were firing on all cylinders in 2019, with like-for-like revenue and gross profit up 41% and 44% and pro-forma revenue and gross profit growth of 37% and 39% and an adjusted operational EBITDA margin of almost 20%, after central costs. This performance is planned to continue into 2020, with budgets and plans targeting strong revenue, gross profit growth and improving operational EBITDA margin and with January showing gross profit like-for-like growth of over 30%.

To date, the impact of the Coronavirus pandemic has been limited. January seemed unaffected. Our Chinese operations, which are small in the context of our overall operations, were closed most of February, but have now re-opened. There have been some limited ripple effects in Europe and the United States and some offices have recently been working from home, as a precaution, with remote working technology, which digital industries are well versed in. As it is difficult to assess the impact of the crisis on our business, we will update the market appropriately. The health and wellbeing of our people, clients and stakeholders remains our priority.

It is clear that the Company's purely digital model based on first party data fueling digital advertising content and data and programmatic is resonating with clients. Our tag line "faster, better, cheaper" or "speed, quality, value" and unitary, one P&L structure also appeal strongly. The imperative will be to move beyond brand awareness and brand trial to client conversion at scale.

As with the Company's three-year plan for the period 2019-2021, which we are more than on track on, its three-year plan for 2020-2022 calls for a doubling of revenue and gross profit organically over pro-forma 2019, with an improvement in EBITDA margin.

Best wishes,

Sir Martin Sorrell

Executive Chairman

Condensed Consolidated Income Statement
For the period ended 31 December 2019 (unaudited)

For the period ended 31 December	Unaudited 2019 £'000	Year ended 31 December 2018 Audited £'000	Unaudited like-for-like Constant currency 2018 £'000	Unaudited pro-forma FFY 2019 £'000	Unaudited pro-forma FFY constant currency 2018 £'000
Revenue	**215,132**	**54,845**	**152,738**	**270,987**	**197,971**
Cost of sales	43,814	17,681	33,884	46,808	36,784
Gross profit	**171,318**	**37,164**	**118,854**	**224,179**	**161,187**
Net operating expenses	175,153	45,634	133,187	221,647	172,232
Operating (loss) / profit	**(3,835)**	**(8,470)**	**(14,333)**	**2,532**	**(11,045)**
Adjusted operating profit	**31,148**	**4,042**	**20,650**	**42,500**	**28,923**
Adjusting items	(34,983)	(12,512)	(34,983)	(39,968)	(39,968)
Operating (loss) / profit	**(3,835)**	**(8,470)**	**(14,333)**	**2,532**	**(11,045)**
Finance income	20	324	20	20	20
Finance expenses	(5,380)	(975)	(5,380)	(5,379)	(5,380)
Net finance expense	**(5,360)**	**(651)**	**(5,360)**	**(5,360)**	**(5,360)**
Result before income tax	**(9,195)**	**(9,121)**	**(19,693)**	**(2,828)**	**(16,405)**
Income tax expense	(845)	1,011	2,474	(2,858)	1,434
Result for the period	**(10,040)**	**(8,110)**	**(17,219)**	**(5,686)**	**(14,971)**

Reconciliation to operational EBITDA					
Operating (loss) / profit	(3,835)	(8,470)	(14,333)	2,532	(11,045)
Adjusting items	34,983	12,512	34,983	39,968	39,968
Depreciation (excluding right-of-use asset depreciation)	2,260	648	1,507	2,463	1,734
Operational EBITDA	**33,408**	**4,690**	**22,157**	**44,963**	**30,657**
Holding costs	**5,817**	**1,355**	**5,817**	**5,817**	**5,817**
Operational EBITDA before hold costs	**39,225**	**6,045**	**27,974**	**50,780**	**36,474**

Reconciliation to adjusted operating profit					
Operating (loss) / profit	(3,835)	(8,470)	(14,333)	2,532	(11,045)
Adjusting items	34,983	12,512	34,983	39,968	39,968
Adjusted operating profit	**31,148**	**4,042**	**20,650**	**42,500**	**28,923**

Reconciliation to adjusted result bef income tax					
Result before income tax	(9,195)	(9,121)	(19,693)	(2,828)	(16,405)
Adjusting items	34,983	12,512	34,983	39,968	39,968
Adjusted result before income tax	**25,788**	**3,391**	**15,290**	**37,140**	**23,563**

Reconciliation to adjusted result for the period					
Result for the period	(10,040)	(8,110)	(17,219)	(5,686)	(14,971)
Adjusting items	34,983	12,512	34,983	39,968	39,968
Tax on adjusting items	(5,957)	(1,877)	(5,957)	(7,251)	(7,251)
Adjusted result for the period	**18,986**	**2,525**	**11,807**	**27,032**	**17,747**

Earnings per share					
Weighted average number of shares in issue for the purpose of basic and adjusted net result per share	368,067,622	247,776,256	368,067,622	453,956,227	453,956,227
Net result attributable to equity owners of the Company (£'000)	(10,040)	(8,110)	(17,219)	(5,686)	(14,971)
Basic net result per share (pence)	**(2.7)**	**(3.3)**	**(4.7)**	**(1.3)**	**(3.3)**
Diluted net result per share (pence)	**(2.7)**	**(3.3)**	**(4.7)**	**(1.3)**	**(3.3)**
Adjusted non-recurring expenses and acquisition related expenses	12,806	5,005	12,806	12,806	12,806
Share based compensation	7,177	0	7,177	7,177	7,177
Adjusted amortisation of intangible assets related to acquisitions	15,000	7,507	15,000	19,985	19,985
Adjusted tax on adjustments	(5,957)	(1,877)	(5,957)	(7,251)	(7,251)
Adjusted net result	18,986	2,525	11,807	27,032	17,747
Adjusted Basic net result per share	**5.2**	**1.0**	**3.2**	**6.0**	**3.9**

Gross margin per territory					
America's	117,063	19,610	80,293	160,434	115,623
EMEA	40,765	15,491	31,976	48,861	38,377
Asia-Pacific	13,490	2,063	6,585	14,884	7,187
Adjusted result for the period	**171,318**	**37,164**	**118,854**	**224,179**	**161,187**

Gross margin per practice					
Content	113,365	36,248	82,075	162,579	122,381
Programmatic	57,953	916	36,779	61,600	38,806
Adjusted result for the period	**171,318**	**37,164**	**118,854**	**224,179**	**161,187**

Unaudited consolidated statement of profit or loss for the year ended 31 December 2019

	Notes	2019 Unaudited £'000	May to December 2018 Audited £'000
Revenue		215,132	54,845
Cost of sales		43,814	17,681
Gross profit	1	**171,318**	**37,164**
Personnel costs		111,572	25,153
Other operating expenses		25,803	7,304
Acquisition and set-up related expenses		12,806	5,005
Depreciation and amortisation		24,972	8,172
Total operating expenses		175,153	45,634
Operating loss		**(3,835)**	**(8,470)**
Adjusted operating profit		31,148	4,042
Adjusting items	2	(34,983)	(12,512)
Operating loss		(3,835)	(8,470)
Finance income		20	324
Finance expenses		(5,380)	(975)
Net finance expenses		(5,360)	(651)
Loss before income tax		**(9,195)**	**(9,121)**
Income tax (expense)/ credit		(845)	1,011
Loss for the period		**(10,040)**	**(8,110)**
Attributable to owners of the Company		(10,040)	(8,110)
Attributable to non-controlling interests		-	-
		(10,040)	**(8,110)**
Loss per share is attributable to the ordinary equity holders of the Company			
Basic loss per share (pence)	3	(2.7)	(3.3)
Diluted loss per share (pence)	3	(2.7)	(3.3)

Unaudited consolidated statement of comprehensive income for the year ended 31 December 2019

	Notes	2019 Unaudited £'000	May to December 2018 Audited £'000
Loss for the period		**(10,040)**	**(8,110)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign operations – foreign currency translation differences		(20,619)	1,870
Total comprehensive loss for the period		**(30,659)**	**(6,240)**
Attributable to owners of the company		(30,659)	(6,240)
Attributable to non-controlling interests		-	-
		(30,659)	**(6,240)**

Unaudited consolidated balance sheet for the year ended 31 December 2019

	Notes	31 December 2019 Unaudited £'000	31 December 2018[1] Audited £'000
Assets			
Non-current assets			
Intangible assets[1]	4	540,129	402,301
Right-of-use assets	5	25,779	-
Property, plant and equipment		9,730	4,007
Deferred tax assets		1,086	188
Other receivables		2,731	1,438
		579,455	407,934
Current assets			
Trade and other receivables		126,353	81,121
Cash and cash equivalents		66,106	25,005
		192,459	106,126
Total assets		**771,914**	**514,060**
Liabilities			
Non-current liabilities			
Deferred tax liabilities[1]		54,834	41,956
Loans and borrowings		42,374	45,638
Lease liabilities	5	18,787	-
Contingent considerations		3,669	-
Other payables		4,668	5,260
		124,332	92,854
Current liabilities			
Trade and other payables		118,014	73,143
Contingent considerations and holdbacks		51,202	4,636
Lease liabilities	5	7,975	-
Current tax liabilities		6,751	4,107
		183,942	81,886
Total liabilities		**308,274**	**174,740**
Net assets		**463,640**	**339,320**
Equity			
Attributable to owners of the Company			
Share capital		117,307	90,849
Reserves	6	346,233	248,371
		463,540	339,220
Non-controlling interests		100	100
Total equity		**463,640**	**339,320**

[1] Restated, see Note 4, restatement of the initial accounting for the business combination of MightyHive Inc.

Unaudited consolidated statement of cash flows for the year ended 31 December 2019

	Notes	2019 Unaudited £'000	May to December 2018 Audited £'000
Cash flows from operating activities			
Loss before income tax		(9,195)	(9,121)
Financial income and expenses		5,361	651
Depreciation and amortisation		24,972	8,172
Share based compensation		7,177	-
Acquisition and set-up related expenses		12,806	5,013
Increase in trade and other receivables		(31,289)	(2,208)
Increase in trade and other payables		22,310	1,235
Cash flows from operations		**32,142**	**3,742**
Income taxes paid		(7,571)	(581)
Net cash inflows from operating activities		**24,570**	**3,161**
Cash flows from investing activities			
Cash brought forward from Derriston Capital Plc		-	2,172
Investments in intangible assets		(1,578)	-
Investments in property, plant and equipment		(7,865)	(1,476)
Acquisition of subsidiaries, net of cash acquired		(56,954)	(264,186)
Financial fixed assets		(779)	5
Cash outflows from investing activities		**(67,176)**	**(263,485)**
Cash flows from financing activities			
Proceeds from issuance of shares		97,451	246,500
Net proceeds from finance institutions		-	45,618
Payment of lease liabilities and interest		(6,687)	-
Repayments of loans and borrowings		(1,696)	(6,138)
Interest paid		(4,749)	(651)
Cash outflows from financing activities		**89,068**	**285,980**
Net movement in cash and cash equivalents		**41,101**	**25,005**
Cash and cash equivalents beginning of the period		25,005	-
Exchange gain/(loss) on cash and cash equivalents		(612)	-
Cash and cash equivalents at 31 December		**66,106**	**25,005**

Unaudited condensed consolidated statement of changes in equity for the year ended 31 December 2019

	Share capital £'000	Share premium £'000	Other reserves £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
Balance at 22 May 2018	-	-	-	-	-	-
Derriston Capital plc equity	625	1,689	(156)	**2,158**	-	**2,158**
Loss for the period	-	-	(8,110)	**(8,110)**	-	**(8,110)**
Foreign currency translation differences	-	-	1,870	**1,870**	-	**1,870**
Total comprehensive loss for the period	-	-	(6,240)	**(6,240)**	-	**(6,240)**
Transactions with owners of the Company						
Issue of Ordinary Shares	90,224	51,182	205,717	**347,123**	-	**347,123**
Non-controlling interests on acquisition	-	-	-	-	100	**100**
Employee share schemes	-	-	(3,821)	**(3,821)**	-	**(3,821)**
	90,224	51,182	201,896	**343,302**	100	**343,402**
Balance at 31 December 2018	**90,849**	**52,871**	**195,500**	**339,220**	**100**	**339,320**
Loss for the period	-	-	(10,040)	**(10,040)**	-	**(10,040)**
Foreign currency translation differences	-	-	(20,619)	**(20,619)**	-	**(20,619)**
Total comprehensive loss for the period	-	-	(30,659)	**(30,659)**	-	**(30,659)**
Transactions with owners of the Company						
Issue of Ordinary Shares	26,331	121,182	-	**147,513**	-	**147,513**
Employee share schemes	127	249	7,090	**7,466**	-	**7,466**
	26,458	121,431	7,090	**154,979**	-	**154,979**
Balance at 31 December 2019	**117,307**	**174,302**	**171,931**	**463,540**	**100**	**463,640**

Notes for the financial period ended 31 December 2019

General

S[4]Capital plc ("S[4]Capital" or "Company") is a public limited company. The Company has its registered office at 12 St James's Place, London, SW1A 1 NX, United Kingdom.

The unaudited preliminary consolidated financial information ('financial information') represents the results of the Company and its subsidiaries (together referred to as the "S[4]Capital Group" or the "Group").

S[4]Capital Group is a new age/ new era digital advertising and marketing services company.

Basis of preparation

This financial information has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority. It has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) but does not comply with full disclosure requirements.

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 December 2019. The statutory accounts for 2019 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the Registrar of Companies in due course.

The financial information is prepared under the historical cost basis, unless stated otherwise in the accounting policies.

Accounting policies

The accounting policies will be included in the Annual Report and Accounts 2019. The accounting policies are materially consistent with those described in the Annual Report and Accounts 2018, which were set out on pages 79 to 87, except for changes in respect of IFRS 16 'Leases' outlined below.

Leasing – impact of the adoption of IFRS 16

On 1 January 2019, the Group adopted IFRS 16 Leases. The standard requires recognition of right-of-use assets and lease liabilities, representing the obligation to make lease payments for almost all lease contracts. Depreciation of the right-of-use assets and recognition of interest on the lease liabilities replaced amounts recognised as rent expense under IAS 17 in the consolidated income statement.

The Group adopted IFRS 16 on a modified retrospective basis. Accordingly, prior year financial information has not been restated and will continue to be reported under IAS 17 Leases. The lease liability has initially been measured at present value of the remaining lease payments, and the right-of-use asset has been set equal to the lease liability adjusted for prepayments and accruals.

The implementation of IFRS 16 resulted in:

// Recognition of right-of-use assets and lease liabilities recognised in the consolidated balance sheet as of 1 January 2019 of £14.0 million and £13.8 million, respectively.

// A reduction in trade and other receivables (prepayments) of £0.2 million, which is now recognised in the right-of-use assets.

// A decrease of net result for the 2019 reporting period of £0.4 million, consisting of a decrease of lease expenses recognised under operating expenses of £8.1 million, an increase of depreciation recognised under operating expenses of £7.7 million and an increase in interest expenses recognised under finance expenses of £0.8 million.

When applying IFRS 16, the Group has applied the following practical expedients, on transition date:

- // The accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- // The use of hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease;
- // Reliance on the previous identification of a lease (as provided by IAS 17) for all contracts that existed on the date of initial application;
- // Reliance on previous assessments on whether leases are onerous; and
- // Exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Leasing - accounting policy from 1 January 2019

The Group leases most of its offices in cities where it operates. Other lease contracts contain equipment and vehicles.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. The assets are depreciated over the term of the lease using the straight-line method. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. Right-of-use assets are reviewed for indicators of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's incremental borrowing rate is used. Lease payments included in the measurement of lease liabilities comprise fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate as at the commencement date. Lease modifications result in remeasurement of the lease liability.

The Group has elected to use the exemption not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The payments associated with these leases are recognised as net operating expenses over the lease term.

Leasing - accounting policy applicable before 1 January 2019

Annual rentals payable under operating leases are charged to the operating expenses on a straight-line basis over the period of the lease.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Critical accounting estimates and judgements

The critical accounting estimates and judgments will be included in the Annual Report and Accounts 2019. These are consistent with those described in the Annual Report and Accounts 2018, which were set out on pages 79 and 80.

Prior year restatement - acquisition fair values

During the prior financial year, the Group acquired 100% of MightyHive Inc. The fair values of acquired net assets disclosed in the Annual report and Accounts 2018 have been finalized during the period and the condensed consolidated balance sheet as at 31 December 2018 have been restated accordingly, as required by IFRS 3. Refer to note 5 for further details.

1. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the Directors and executive management of S[4]Capital Group.

In the first half of 2019, S[4]Capital decided to change the composition of its reportable segments into First-party Data, Content and Programmatic. The segment disclosure which was included in the Annual Report and Accounts 2018 was mainly based on the MediaMonks Group reportable segment structure. During 2019 the MediaMonks Group has started to change its internal structure, switching to a more client centric where the pillar structure was more a production centric approach.

During the period, S[4]Capital Group has been active in two segments.

- // Content: Creative content, campaigns and assets at a global scale for paid, social and earned media – from digital platforms and apps to brand activations that aim to convert consumers at every possible touchpoint.
- // Programmatic: this technology and services practice encompasses full-service campaign management analytics, creative production and ad serving, platform and systems integration and transition and training and education

The customers are primarily businesses across all industries.
The Directors and executive management monitor the results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment prior to charges for tax, depreciation and amortisation.

During the period, S[4]Capital Group has not been active in the first party data practice. Operating segment information under the primary reporting format is disclosed below:

2019	First party data £'000	Content £'000	Programmatic £'000	Total £'000
Gross profit	-	113,365	57,953	171,318
Segment profit	-	25,570	13,654	39,224
Overhead cost				(5,817)
Acquisition and set-up related expenses				(12,806)
Share based compensation				(7,177)
Depreciation[1] and amortisation				(17,259)
Net finance expenses				(5,360)
Loss before income tax				**(9,195)**

[1] Excluding GBP 7.7 million depreciation on right-of-use assets

May to December 2018	First party data £'000	Content £'000	Programmatic £'000	Total £'000
Gross profit	-	36,248	916	37,164
Segment profit	-	5,890	172	6,062
Overhead cost				(1,355)
Acquisition and set-up related expenses				(5,005)
Depreciation and amortisation				(8,172)
Net finance expenses				(651)
Loss before income tax				**(9,121)**

Key management of S[4]Capital Group uses gross profit rather than revenue to steer the company due to the fluctuating amounts of third-party costs and/or pass-through expenses, which form part of revenue.

2. Adjusting items

S[4]Capital Group uses certain adjusted earnings measures to provide additional clarity about the performance of the business. Therefore, the operating profit in the condensed consolidated income statement is also adjusted for the following items, which comprise:

/ Acquisition and set-up related expenses are not considered part of underlying trading are material one-off expense or income, which are relevant to an understanding of the underlying performance of the Group.

/ Amortisation of certain fair value adjustments recorded in respect of finite-life intangible assets recognised in the purchase price allocation of the acquisitions.

/ Share based compensation.

The adjusting items amount to £35.0 million for the financial year ended 31 December 2019 (for the financial year ended 31 December 2018: £12.5 million).

The tables below provide a reconciliation of the Group's reported statutory earnings measures to its adjusted measures.

January to December 2019	Reported £'000	Acquisition and set-up related expenses[1] £'000	Share based compensation £'000	Amortisation[2] £'000	Adjusted £'000
Operating profit/ (loss)	**(3,835)**	**12,806**	**7,177**	**15,000**	**31,148**
Net finance expenses	(5,360)	-	-	-	(5,360)
Profit/ (loss) before income tax	**(9,195)**	**12,806**	**7,177**	**15,000**	**25,788**
Income tax credit/ (expense)	(845)	(2,064)	-	(3,893)	(6,802)
Profit/ (loss) for the period	**(10,040)**	**10,742**	**7,177**	**11,107**	**18,986**

1. Non-recurring expenses relate to acquisition related bonusses of £ 7.2 million and transaction related advisory fees of £ 5.6 million.
2. Adjusting amortisation relates to the amortisation of certain intangibles assets recognised as a result of the acquisitions. In addition, there is a (deferred) income tax credit in respect of these amortisations.

May to December 2018	Reported £'000	Acquisition and set-up related expenses[3] £'000	Amortisation[4] £'000	Adjusted £'000
Operating profit/ (loss)	**(8,470)**	**5,005**	**7,507**	**4,042**
Net finance expenses	(651)	-	-	(651)
Profit/ (loss) before income tax	**(9,121)**	**5,005**	**7,507**	**3,391**
Income tax credit/ (expense)	1,011	-	(1,877)	(866)
Profit/ (loss) for the period	**(8,110)**	**5,005**	**5,630**	**2,525**

3. Non-recurring expenses relate to the total expenses for acquisition of the MediaMonks Multimedia Holding Group and the MightyHive Group in 2018.
4. This relates to the amortisation of certain intangibles assets recognised as a result of the acquisitions of the MediaMonks Multimedia Holding Group and the MightyHive Group during the period ended 31 December 2018. In addition, there is a (deferred) income tax credit in respect of these amortisations.

3. Earnings per share

Earnings per share is calculated by dividing the net result attributable to the shareowners of the S⁴Capital Group by the weighted average number of Ordinary Shares in issue during the period.

	2019	2018
Loss attributable to shareowners of the Company (£'000)	(10,040)	(8,110)
Weighted average number of ordinary shares	368,067,623	247,776,256
Basic loss per share (pence)	**(2.7)**	**(3.3)**
Diluted loss per share (pence)	**(2.7)**	**(3.3)**

4. Intangible assets

	Goodwill £'000	Customer relationships £'000	Brands £'000	Order Backlog £'000	Other £'000	Total £'000
Cost	-	-	-	-	-	**-**
Accumulated amortisation	-	-	-	-	-	**-**
Net book value at 22 May 2018	**-**	**-**	**-**	**-**	**-**	**-**
Acquired through business combinations	279,882	100,665	8,493	4,360	51	**393,451**
Foreign exchange differences cost	807	473	85	21	-	**1,386**
Amortisation charge for the year	-	(3,123)	(212)	(4,179)	(10)	**(7,524)**
Foreign exchange differences amortisation	-	(16)	(1)	(22)	1	**(38)**
Total transactions during the year	**280,869**	**97,999**	**8,365**	**180**	**42**	**387,275**
Cost	280,689	101,138	8,578	4,381	51	**394,837**
Accumulated amortisation	-	(3,139)	(213)	(4,201)	(9)	**(7,562)**
Net book value as previously reported	**280,689**	**97,999**	**8,365**	**180**	**42**	**387,275**
Restatement	(42,287)	50,086	5,332	-	1,895	**15,026**
Restated net book value at 31 December 2018	**238,402**	**148,085**	**13,697**	**180**	**1,937**	**402,301**
Acquired through business combinations	106,610	66,231	2,082	1,098	2,590	**178,611**
Additions	-	-	-	-	1,580	**1,580**
Amortisation charge for the year	-	(12,017)	(1,117)	(1,212)	(654)	**(15,000)**
Foreign exchange differences	(16,176)	(10,191)	(681)	(66)	(249)	**(27,363)**
Total transactions during the year	**90,434**	**44,023**	**284**	**(180)**	**3,267**	**137,828**
Cost	328,836	206,706	15,276	5,464	6,364	**562,646**
Accumulated amortisation	-	(14,598)	(1,295)	(5,464)	(1,160)	**(22,517)**
Net book value at 31 December 2019	**328,836**	**192,108**	**13,981**	**-**	**5,204**	**540,129**

MightyHive Inc - restatement

As stated on page 88 of the Group's Annual Report and Accounts 2018, the initial accounting for the business combination of MightyHive Inc, acquired as of 24 December 2018, was incomplete by the end of the reporting period ending 31 December 2018. At the end of the reporting period, the identifiable intangibles acquired were not identified, were consequently not measured and were therefore not deducted from goodwill as per 31 December 2018.

In the first half of 2019, S[4]Capital Group has obtained the information necessary to identify and measure the identifiable intangible assets for the business combination of MightyHive Inc and has adjusted its intangible assets as of 31 December 2019, as required by IFRS 3, as follows:

	31 December 2018 £'000	Adjustment £'000	31 December 2018 restated £'000
Goodwill	111,644	(42,287)	69,357
Intangible assets – Customer relationships	-	50,086	50,086
Intangible assets – Brand name	-	5,332	5,332
Intangible assets – Software	-	1,895	1,895
Deferred tax liabilities	-	(15,026)	(15,026)
Total	**111,644**	**-**	**111,644**

Acquisitions 2019

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and provisional goodwill are as follows of the subsidiaries acquired in 2019 are as follows:

	Firewood £'000	Other content practice £'000	Programmatic practice £'000	Total £'000
Intangible assets – Customer relationships	56,135	4,966	5,129	66,231
Intangible assets – Brand names	1,694	387	-	2,082
Intangible assets – Order backlog	901	197	-	1,098
Intangible assets – Software	-	2,590	-	2,590
Property, plant and equipment	5,722	475	296	6,494
Financial fixed assets	426	49	73	548
Cash and cash equivalents	817	627	3,489	4,933
Trade and other receivables	8,878	777	1,238	10,893
Trade and other payables	(3,362)	(1,150)	(1,998)	(6,509)
Current taxation	17	(282)	(662)	(927)
Lease liabilities	(5,533)	-	(179)	(5,711)
Other non-current liabilities	(2,065)	(46)	-	(2,111)
Deferred taxation	(15,857)	(1,743)	(1,282)	(18,882)
Net assets	47,775	6,847	6,105	60,727
Goodwill	72,764	22,654	11,193	106,610
Total purchase consideration	**120,539**	**29,501**	**17,297**	**167,337**
Payment in kind (common stock)	43,551	3,092	3,471	50,113
Cash	42,690	12,898	5,115	60,703
Contingent consideration	30,429	13,394	8,580	52,403
Holdback obligations	3,870	117	132	4,118
Total purchase consideration	**120,540**	**29,501**	**17,297**	**167,337**
Purchase consideration – cash	42,690	12,898	5,115	60,703
Cash and cash equivalents	817	627	3,489	4,933
Cash outflow on acquisition (net of cash acquired)	**41,873**	**12,271**	**1,626**	**55,770**

In 2019, S[4]Capital Group combined with the following businesses:

Firewood
The Group acquired 100% of the shares of Firewood Marketing Inc (including subsidiaries) as of 25 October 2019. Firewood is a Silicon Valley-based independent digital agency and is included in the Group's Content practice.

Other Content practice
Other combinations in 2019 of the Group's Content practice are:
- Assets from Caramel Pictures, as of 25 April 2019. Caramel Pictures is an Amsterdam-based robotic food and drink studio;
- 100% of the shares of IMAgency Holding BV (including subsidiaries), as of 9 August 2019. IMA is an Amsterdam and New York-based influencer marketing agency;
- Assets from BizTech Australia and 100% of the shares in Biztech Enterprise Solutions Canada Ltd, as of 20 December 2019. BizTech is an Adobe and digital transformation specialist.

Programmatic practice
Combinations in 2019 of the Group's Programmatic practice are:
- 100% of the shares of ProgMedia Consultoria Ltda and Progmedia Argentina SAS, as of 19 April 2019. ProgMedia is a Brazilian-based data and programmatic consultancy;
- 100% of the shares in Conversion Works Ltd, as of 22 October 2019. Conversion Works is an UK-based data and analytics consultancy;
- 100% of the shares in MightyHive Korea Co.,Ltd (previously Datalicious KR Co.,Ltd), as of 25 October 2019. The company is a South Korea- based data and analytics consultancy;

Total acquisition costs of £ 4.7 million arose as a result of the acquisitions in 2019 which have been recognised under acquisition and set-up related expenses in the statement of profit or loss.

Since the acquisition date, the acquired companies contributed £ 17.1 million to the Group's revenue for the period ended 31 December 2019. If the acquisition had occurred on 1 January 2019, the Group's revenue would have been £ 271.0 million.

Post balance sheet events
In November 2019, MediaMonks announced the combination with WhiteBalance, Indian-based digital creative and production agency. This transaction is expected to be closed in the second quarter of 2020.

Post year end, in January 2020, MediaMonks announced the combination with Latin America-based digital agency, Circus Marketing. This transaction is closed in the first quarter of 2020.

The transaction with BizTech Kazakhstan and BizTech Russia is expected to close in the second quarter of 2020.

5. Leases

The movements in the period ended 31 December 2019 are as follows:

Right-of-use assets	Total £'000
At 1 January 2019	**14,042**
Acquired through business combinations	6,013
Additions	14,366
Disposals	(86)
Depreciation of right-of-use assets	(7,713)
Foreign exchange differences	(843)
At 31 December 2019	**25,779**

Lease liabilities	Total £'000
At 1 January 2019	**13,847**
Acquired through business combinations	6,257
Additions	13,911
Disposals	(83)
Payment of lease liabilities and interest	(6,687)
Foreign exchange differences	(483)
At 31 December 2019	**26,762**

Non-current lease liabilities	18,787
Current lease liabilities	7,975
At 31 December 2019	**26,762**

6. Equity

The movements in reserves are as follows:

	Share premium £'000	Merger reserves £'000	Treasury shares £'000	Foreign exchange reserves £'000	Retained losses £'000	Reserves £'000
Balance at 22 May 2018	-	-	-	-	-	-
Derriston Capital plc equity	1,689	-	-	-	(156)	**1,533**
Loss for the period	-	-	-	-	(8,110)	**(8,110)**
Foreign currency translation differences	-	-	-	1,870	-	**1,870**
Total comprehensive loss for the period	-	-	-	1,870	(8,110)	**(6,240)**
Transactions with owners of the Company						
Issue of Ordinary Shares	51,182	205,717	-	-	-	**256,899**
Employee share schemes	-	-	(3,821)	-	-	**(3,821)**
	51,182	205,717	(3,821)	-	-	**253,078**
Balance at 31 December 2018	**52,871**	**205,717**	**(3,821)**	**1,870**	(8,266)	**248,371**
Loss for the period	-	-	-	-	(10,040)	**(10,040)**
Foreign currency translation differences	-	-	-	**(20,619)**	-	**(20,619)**
Total comprehensive loss for the period	-	-	-	**(20,619)**	(10,040)	**(30,659)**
Transactions with owners of the Company						
Issue of Ordinary Shares	121,182	-	-	-	-	**121,182**
Employee share schemes	249	-	-	-	7,090	**7,339**
	121,431	-	-	-	7,090	**128,521**
Balance at 31 December 2019	**174,302**	**205,717**	**(3,821)**	**(18,749)**	**(11,216)**	**346,233**