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S4 Capital plc
("S·Capital" or "the Company")

Orca Pacific to merge with MightyHive

MightyHive strengthens eCommerce capabilities in merger with Seattle-based Amazon managed-service provider Orca Pacific

S·Capital plc (SFOR.L), the tech-led, new age, new era digital advertising and marketing services company, announces that its data and programmatic media practice MightyHive intends to merge with [Orca Pacific](#), a market leading full-service Amazon agency and boutique consultancy firm based out of Seattle.

The deal builds on S·Capital's existing Amazon relationship, equipping teams with an end-to-end eCommerce offering, including retail management, advertising and content on Amazon's platform, which can bridge the gap between media, creative and measurement more broadly to deliver additional expertise and services capabilities for SMB, Mid-Market and Enterprise clients.

This is S·Capital's first merger since successfully raising £116m in an equity placement to fund its M&A strategy and the third since covid-19 hit hard, as the Company continues to expand its functional capabilities and geographical coverage, without prejudicing its balance sheet.

Orca Pacific, founded in 2008 by John Ghiorso, helps top consumer brands optimize their customer journey and grow their Amazon business through a combination of expertise and industry-leading technology. The company employs over 40 former Amazonians and retail industry experts and partners with clients including Reebok, Uni-ball, OshKosh B'gosh, Godiva, Del Monte and Kenroy Home.

Morgan Stanley's recent "Mid-year US Advertising Outlook" Report predicted US eCommerce would grow 38% this year vs a pre-covid-19 projection of 13%, effectively pulling forward three years of eCommerce adoption into 2020 to represent 24.5% penetration of total adjusted retail sales. The Morgan Stanley Alphawise survey revealed "74% of people shopping online started on Amazon" illustrating the strength of Amazon as a gateway to eCommerce.

S·Capital Executive Chairman Sir Martin Sorrell said, "We are delighted to welcome John and his colleagues to S·Capital. Amazon has become synonymous with eCommerce and it is both an important client and partner for us at S·Capital. The merger with Orca Pacific allows us to extend that partnership and provide a full range of eCommerce and Marketplace services to our clients. Stronger partnerships with the key platforms and the leading software and hardware suppliers are increasingly key for our clients and ourselves."

"The merger with Orca Pacific allows MightyHive to build on our existing partnership with Amazon in Advertising and Programmatic and expand this to offer a full spectrum of eCommerce solutions to our clients." said Pete Kim, founder and CEO of MightyHive. "We've seen a significant uptick in demand for eCommerce capabilities making this the perfect time to welcome John, Kashif, Lisa and the team at Orca Pacific."

John Ghorso, CEO and Founder of Orca Pacific said, "The dramatic and sustained increase we have seen in eCommerce penetration means clients need experienced sector specialists to help integrate Amazon services into their sales and marketing plans. By teaming up with MightyHive and collaborating with MediaMonks, Orca Pacific's existing bench of advanced Amazon experts is now positioned to offer global capabilities, along with expanded data, creative and media solutions to clients."

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About MightyHive

MightyHive is the leading data and digital media consultancy that helps marketers take control. MightyHive delivers sustained results from the ground up through advisory for business transformation, privacy-first data strategy, and digital media services.

The company is headquartered in San Francisco, with a team of consultants, platform experts, data scientists, and marketing engineers in 19 countries and 23 cities around the world. In 2018, MightyHive merged with S•Capital plc (SFOR.L), a tech-led new age/new era digital advertising and marketing services company established by Sir Martin Sorrell.

About Orca Pacific

Orca Pacific, made up of former Amazonians and retail industry experts, helps top consumer brands grow their Amazon business through unmatched expertise and industry-leading technology. Orca Pacific knows that being there for customers with relevant advertising, compelling content, and sound operations is the only way to build a sustainable path toward growth, so they focus on optimizing every stage of the customer journey.

About S•Capital

S•Capital plc (SFOR.L) is the tech-led, 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, multinational, regional, local clients and millennial-driven influencer brands. This will be achieved initially by integrating leading businesses in three practice areas: first-party data, digital content, digital media planning and buying, along with an emphasis on "faster, better, cheaper" 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•Capital estimates that in 2019 digital accounted for approximately 47.5% or \$275 billion of total global advertising spend of \$550-600 billion (excluding about \$400 billion of trade support, the primary target of the Amazon advertising platform), and projects that by 2022 this share will grow to approximately 55-60%.

S•Capital combined with MediaMonks, the leading AdAge 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 Peter Kim and Christopher S. Martin, in December 2018.

In April 2019, MightyHive merged with ProgMedia to expand operations into Latin America and MediaMonks acquired film studio Caramel Pictures to expand content studio capabilities. In June 2019, MediaMonks announced a planned merger with Australia-based BizTech, a leading marketing transformation and customer experience company. In August 2019, MediaMonks merged with Amsterdam-based digital influencer marketing agency IMA. In October 2019, MediaMonks merged with Firewood Marketing, the largest digital marketing agency based in Silicon Valley, that was recently ranked, along with MediaMonks, as one of the fastest growing agencies by Adweek, and MightyHive merged with award-winning UK-based digital analytics, biddable media and data science company ConversionWorks and South Korea-based data and analytics consultancy MightyHive Korea. In November 2019, MediaMonks announced its merger with Delhi-based content creation and production company WhiteBalance and then with fully integrated digital agency Circus Marketing in January 2020. In July 2020, MightyHive merged with Digodat, one of the leading Latin American data and analytics consultancies. In June 2020, MightyHive announced its merger with Lens10, a leading Australian digital strategy and analytics consultancy.

On 16 July 2020 the company announced the successful placing of 36,766,642 new ordinary shares at a price of 315p raising approximately £116m gross proceeds which will be used for further expansion and M&A purposes.

Victor, Wesley, Pete, Christopher and Peter Rademaker (formerly Chief Financial Officer of MediaMonks, now Chief Financial Officer of S•Capital), all joined the S•Capital Board as Directors. The S•Capital Board also includes Rupert Faure Walker, Paul Roy, Daniel Pinto, Sue Prevezer, Elizabeth Buchanan, Scott Spirit, Naoko Okumoto, Margaret Ma Connolly and Miles Young.

The Company has 2,650 people in 30 countries across the Americas, Europe, the Middle East and Africa and Asia-Pacific and a market capitalisation of approximately £1.7 billion (c.\$2.2 billion), and would rank well into the FTSE 250. It has achieved Unicorn status in a little over one year, unique in the advertising and marketing services industry.

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 capitalisation of over £16 billion on the day he left. Today its market capitalisation is £7.3 billion. Prior to that he was Group Financial Director of Saatchi & Saatchi Company plc for nine years.