

4 May 2021

S4 Capital plc

("S⁴Capital" or "the Company")

S⁴Capital announces a combination with Raccoon Group expanding its data and digital media practice in Latin America.

S⁴Capital (SFOR.L), the tech-led, new age, new era digital advertising and marketing services company, announces a combination between Raccoon Group and MightyHive, which significantly expands the capabilities of its data & digital media practice in Latin America. Off the back of strong Q1 2021 growth (gross profit or net revenue up 33% like-for-like), the Company is now in a position to implement even faster its strategy of creating a new age/new era advertising and marketing services model and deploy its digital capabilities even more effectively on a global basis.

Raccoon Group is the leading digital performance agency in Brazil. Founded in 2013 by two ex-Googlers [André Palis](#) and [Marco Túlio Kehdi](#). Raccoon specialises in three types of services: Digital Paid Media (search, social and commerce media), Inbound Marketing (search engine optimisation and conversion rate optimisation) and IT/Business Intelligence (data analytics). With a broad client base including Natura, Nubank, Carrefour, Gympass, iFood, Leroy Merlin, Yduqs, Unilever and Google, it comprises over 450 digital media specialists, engineers, mathematicians, statisticians and programmers.

Sir Martin Sorrell, S⁴Capital Executive Chairman said, "Brazil has sadly suffered more than most as a result of Covid and we send our best wishes and support to our colleagues, new and old, their families and everyone there. It is a crucial market for us at S⁴Capital and one we have history in and love to work in, so we are delighted to welcome André, Tulio and their colleagues to expand our existing capabilities. We look forward to working closely with them to disrupt the age-old status quo in the market."

André Palis, Raccoon Group CEO and Co-Founder, said, "We couldn't be more excited to join forces with MightyHive and S⁴Capital. We can't wait to collaborate with their existing services here and offer clients, talent and platforms a contemporary and differentiated partner."

Chris Martin, MightyHive Co-Founder and S⁴Capital Executive Director, said, "Raccoon is a natural expansion of our data and digital media practice in Brazil. Welcoming André, Tulio and their colleagues to the family allows us to combine our existing capabilities with their best-in-class performance media and data competencies to create a broad-based Digital Media offering."

Enquiries

S⁴Capital plc

Tel: +44 (0)20 3793 0003

Sir Martin Sorrell, Executive Chairman

Powerscourt (PR adviser to S⁴Capital plc) Tel: +44 (0)7970 246 725

Elly Williamson

Jack Shelley

About Raccoon Group

Raccoon is a full-service agency that acts as a strategic partner throughout the entire digital chain. With the customer at the center, the company operates on the 360° model, which involves digital marketing services (SEO, inbound and performance media), market intelligence and infrastructure solutions such as consulting, programmatic media, brandformance, applications and e-commerce development on VTEX platform.

The agency has over 450 employees, 200 large clients – including Natura, 99apps, XP Inc., Google, Nubank, C&A, Grupo Big and Yduqs. Currently, it is one of the largest digital agencies in Latin America and has won national and international awards, among them: four Google Partner Awards and being acknowledged as one of the top three agencies in Latin America. For more information visit www.raccoon.ag.

About S⁴Capital

S⁴Capital 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 two practice areas: Data & digital media and Content, 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. S⁴Capital estimates that in 2020 digital accounted for over 50% (for the first time) or \$290 billion of total global advertising spend of \$525 billion (excluding over \$500 billion of trade promotion marketing, the primary target of the Amazon advertising platform), and projects that by 2022 this share will grow to approximately 60% and by 2024 to approximately 66%, accelerated by the impact of covid-19.

S⁴Capital 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 digital media solutions provider for future thinking marketers and agencies, led by Peter Kim and Christopher S. Martin, in December 2018.

In April 2019, MightyHive combined 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 combination with Australia-based BizTech, a leading marketing transformation and customer experience company. In August 2019, MediaMonks combined with Amsterdam-based digital influencer marketing agency IMA. In October 2019, MediaMonks combined with Firewood Marketing, the largest digital marketing agency based in Silicon Valley, that was recently ranked, along with MediaMonks and Circus (see below), as one of the fastest growing agencies by Adweek, and MightyHive combined 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 combination with Delhi-based content creation and production company WhiteBalance (completed in August 2020 - the delay due to necessary merger clearance procedures)

and then with fully integrated digital agency Circus Marketing in January 2020 (completed in March 2020).

In May 2020, MightyHive announced a combination with Digodat, one of the leading Latin American data and analytics consultancies, and in June 2020, MightyHive announced its combination with Lens10, a leading Australian digital strategy and analytics consultancy. In July 2020, MightyHive announced a combination with Orca Pacific, a market leading full-service Amazon agency and boutique consultancy firm based in Seattle. In August 2020, MightyHive announced a combination with London-based Brightblue, an econometric and media optimisation consultancy. In September 2020, MediaMonks announced its combination with Dare.Win, expanding its geographical presence to France. In January 2021, MediaMonks announced its combination with integrated creative, technology and media agency Decoded Advertising, Shanghai based creative agency TOMORROW and Stuttgart based automotive specialist STAUD STUDIOS. MightyHive also announced its combination with integrated digital performance marketing agency Metric Theory. In February 2021, MightyHive acquired the assets of Datalicious Australia, a leading Google Marketing Platform, Google Cloud and Google Analytics partner in Asia Pacific. In March 2021, MediaMonks announced it had entered into a conditional agreement in relation to a combination of MediaMonks with Toronto-based design and experience agency, Jam3.

On 16 July 2020, S⁴Capital announced the successful placing of 36,766,642 new ordinary shares at a price of 315p raising approximately £116 million gross proceeds which will be used for further expansion and combination purposes.

Victor Knaap, Wesley ter Haar, Pete Kim, Christopher Martin, Peter Rademaker and Scott Spirit all joined the S⁴Capital Board as Directors. The S⁴Capital Board also includes Rupert Faure Walker, Paul Roy, Daniel Pinto, Sue Prevezer, Elizabeth Buchanan, Naoko Okumoto, Margaret Ma Connolly and Miles Young.

The Company now has around 5,000 people in 31 countries across the Americas, Europe, the Middle East and Africa and Asia-Pacific and a current market capitalisation of approximately £3.0 billion (c.\$4.2 billion), and would rank around the FTSE 150. It 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 £12 billion. Prior to that Sir Martin was Group Financial Director of Saatchi & Saatchi Company Plc for nine years.