S4 Capital plc
("S[4]Capital" or "the Company")
Results for first half 2022

Strong like-for-like 28% gross profit/net revenue growth ahead of digital markets
Two and three half year stacks up 77% and 89%
Further client conversion at scale
Focus on management infrastructure and balanced cost base required to continue growth
Revised revenue and operational EBITDA[5] targets unchanged

£ millions	**Six months ended 30 June 2022**	Six months ended 30 June 2021[2]	change Reported	change Like-for-like[3]	change Pro-forma[4]
Billings[1]	**765.6**	547.5	39.8%	22.2%	22.5%
Revenue	**446.4**	279.3	59.8%	30.7%	30.9%
Gross profit/net revenue	**375.3**	236.7	58.6%	27.8%	28.2%
Operational EBITDA[5]	**30.1**	34.3	-12.4%	-41.2%	-34.7%
Operational EBITDA margin[5]	**8.0%**	14.5%	-650*bps*	-940*bps*	-900*bps*
Adjusted[6] operating profit	**25.4**	31.3	-18.7%	-47.0%	-39.6%
Operating loss	**(75.4)**	(16.6)	-354.2%	-17.1%	-1.3%
Loss for period	**(82.4)**	(23.0)	-258.5%	-9.9%	1.7%
Basic net loss per share *(pence)*	**(14.5)**	(4.2)	-10.3*p*	-0.7*p*	1.5*p*
Adjusted[6] basic earnings per share *(pence)*	**2.1**	3.4	-1.3*p*	-3.6*p*	-3.5*p*
Number of people	**9,041**	5,691			
Net Debt	**(135.5)**	6.6			

Financial highlights

- Billings £765.6 million, up 39.8% reported and 22.2% like-for-like.
- Revenue £446.4 million, up 59.8% reported and 30.7% like-for-like.
- Gross profit/net revenue £375.3 million, up 58.6% reported, and 27.8% like-for-like as the Company continued to outperform the digital advertising and transformation markets. Two year and three year stacks (half year organic growth for the last two and three years) for the first half are 77% and 89%.
- Operational EBITDA[5] £30.1 million, down 12.4% reported and 41.2% like-for-like reflecting continued investment in hiring for expansion, which ran further ahead of gross profit/net revenue growth in the first half than expected.
- Operating loss £75.4 million, which includes £100.8 million of primarily combination payments, some linked to continued employment, and the associated expense and amortisation totalling £93.9 million versus £41.6 million in the first half of 2021.
- Adjusted basic earnings per share, which excludes adjusting items after tax, of 2.1p per ordinary share, down 1.3p versus 3.4p per share in the first half of last year. Basic loss per share of 14.5p, down 10.3p versus 4.2p loss per share in the first half of 2021.
- Net debt ended the period at £135.5 million, or 1.2x net debt/operational EBITDA, reflecting combination payments made during the first half, principally for TheoremOne. Net debt was below the bottom end of the guidance range of £140 – 190 million reflecting better working capital management. The balance sheet remains strong with sufficient liquidity and long-dated debt maturities. Pro-forma Operational Earnings Before Interest, Taxes, Depreciation and Amortisation for the latest twelve months to 30 June 2022 was £113.6 million.

Strategic and operational highlights

- We have secured two new "whopper" clients, both of which will be fully operational in 2023, making a total of eight. Five more clients, making a potential total of 13, are trending towards "whopper" status (i.e. revenue of over $20 million per annum). This year 14 other clients have been identified as potential "whoppers" over the 2022-24 three year planning period to reach the 20^2 objective (20 clients with revenue of $20 million per annum).
- Significant cost management measures, including a brake on hiring and discretionary cost controls have been implemented in the second quarter and half of the year. Tight cost management is having the desired effect, with the number of people in the Company stabilising at around 9,100 (including recent combinations) over the past month or so.
- The Company continues to invest in financial controls, treasury, risk and governance. Several experienced finance professionals have been appointed within the Group and Practice finance teams. Significant progress is being made on processes to support future growth, balancing revenue growth and the investment in human capital. Work is ongoing and this remains a key priority for the second half.
- The Content practice posted 26% like-for-like gross profit/net revenue growth, with Data&Digital Media up 23% and Technology Services up 89%. However, hiring ahead of the revenue curve particularly in the first quarter impacted profitability at both the Content and to a lesser extent the Data&Digital Media practices.
- In January 2022 the Group's Data&Digital Media practice combined with 4Mile Analytics, a leading data consultancy specialising in custom data experiences powered by the Looker platform. In May, the Technology Services practice made a large and significant combination with TheoremOne, a leader in agile, full stack innovation, engineering and design, which helps major enterprises achieve strategic digital transformation.
- In July, post the half year end, the Content practice combined with XX Artists, a Los Angeles-based digital marketing agency.
- Colin Day was appointed as a Non-Executive Director and Chairman of the Audit Committee and Christopher S. Martin as Chief Operating Officer in August 2022.

Outlook

- Full year like-for-like gross profit/net revenue growth target remains unchanged at 25%.
- The Group continues to expect a significantly stronger second half performance with a weighting to the fourth quarter. Pipeline remains strong in comparison to last year.
- For the full year expected operational EBITDA target remains unchanged at approximately £120 million[9].

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

"Our top line growth continues to outperform the digital advertising and transformation markets. This momentum is underlined by the increasing recognition of the success of our new age/new era model in industry surveys such as the Forrester Waves (the guide for buyers considering their purchasing options in a technology marketplace) and increasing conversion of client relationships at scale as we land more "whoppers". In the first half of 2022, we continued to invest in increased human capital ahead of further top line advances and in management infrastructure, which impacted our Operational EBITDA. In the second half, we are focused on a better balance between top and bottom-line growth to ensure we reach our revised targets for the year. Combinations remain a key part of our growth strategy, however, for the time being we are focused on organic growth and maximising value from our existing businesses, where momentum remains strong. Whilst the global economy faces many significant challenges in areas such as climate change, a lengthy war on Continental Europe, rising inflation and interest rates, energy shortages, fractious US/China and Western/Russia relationships and with Iran, the prospects for digital advertising and transformation remain relatively bright, whilst traditional media languish, and there is evidence that demand accelerates during periods of economic uncertainty as we saw with Covid in 2020, when we performed strongly".

Notes (in this document):

1. Billings is gross billings to client including pass through costs.
2. Restated for the initial accounting for the business combination of Staud Studios and Raccoon as required by IFRS 3. Details are disclosed in Note 5.
3. Like-for-like is a non-GAAP measure and relates to 2021 being restated to show the unaudited numbers for the previous year of the existing and acquired businesses consolidated for the same months as in 2022 applying currency rates as used in 2022.
4. Proforma 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 in the pre-acquisition period.
5. Operational EBITDA is EBITDA adjusted for acquisition related expenses, non-recurring items and recurring share-based payments, and includes Right-of-use assets depreciation. It is a non-GAAP measure management uses to assess the underlying business performance. Operational EBITDA margin is Operational EBITDA as a percentage of Gross Profit/net revenue.
6. Adjusted for acquisition related expenses, non-recurring items and recurring share-based payments.
7. Restated for the initial accounting for the business combination of Orca, Brightblue, Metric Theory, Decoded, Tomorrow, Staud Studios, Jam3, Raccoon as required by IFRS 3. Details for Orca, Brightblue, Metric Theory and Decoded are provided in note 4 on page 127 of the Annual Report and Accounts 2021. Other details are disclosed in Note 5 below.
8. Restated for the initial accounting for the business combination of Raccoon, Cashmere and Maverick as required by IFRS 3. Details are disclosed in Note 5.
9. This is a target and not a profit forecast.

Results webcast and conference call

A webcast and conference call covering the results will be held today at 09:00 BST in London, followed by another webcast and call at 08:00 EDT / 13:00 BST. Both webcasts of the presentation will be available at www.s4capital.com during the event.

09.00 BST webcast (watch only) and conference call (for Q&A):

Webcast: https://stream.brrmedia.co.uk/broadcast/630f190eda906b287e9a249c

Conference call:

UK: +44 (0)330 165 4012

Freephone: 0800 279 6877

Confirmation code: 2608950

08.00 EDT / 1pm BST webcast (watch only) and conference call (for Q&A):

Webcast: https://stream.brrmedia.co.uk/broadcast/630f1a7eda906b287e9a257c

Conference call:

UK: +44 (0)330 165 4012

US: +1 646-828-8073

Confirmation code: 5157196

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Business overview

Introduction

In the first half of 2022, we continued to grow ahead of our guided gross profit/net revenue run rates, gained major new clients, maintained high key people retention rates, upgrading our financial processes and improving working capital management. In contrast, there were the results delays earlier in the year, and the first half 2022 profits turned out below the Board's expectations with the consequent impact on the full year outlook. We are focussing intently on correcting these issues and have made good progress in recent months. Underpinning our confidence in the medium and long term are client demand for digital services and the solid foundations of the Company's Content, Data&Digital Media and Technology Services practices, centred on our 9,100 people and "whopper", "whoppertunities" and local hero clients and having the right data-driven strategy in the right functional and geographic markets.

The Company grew strongly in the first half, with a like-for-like gross profit/net revenue growth rate of 28%, above the targeted 25%. Two year and three year first half like-for-like stacks are 77% and 89%. First quarter and second quarter gross profit/net revenue like for like growth rates were 35% and 23% with two and three year stacks at 67%, and 88% and 86% and 95%. We remain confident of outperforming the digital advertising and transformation markets. We maintain our 25% gross profit/net revenue target for 2022. Momentum was reinforced by the addition of two further "whopper" clients making a total of eight against the target of 20, one through pitch and one through combination, both of which will be fully effective in 2023. We also secured important new client wins with Adobe, Brewdog, Tiktok, Diageo, Booking.com, Tim Horton's, Duolingo, Ekaterra, Golden Goose, Riot Games and the US media account of a large NDA'd FMCG which will become a leading account in 2023. In addition, we continue to extend our remits with all our existing major clients. This represents a strong start to achieving the Company's 2022-24 three-year plan of doubling its size on a like-for-like basis and reaching the same targets for the 2020-22 and 2021-23 plans, having achieved them in the period 2019-21. We are about to start our three year planning process for 2023 – 25 and budgets for 2023.

Our profit performance in the first half was, however, disappointing. While gross profit/net revenue growth was strong, our Operational EBITDA and Operational EBITDA margin performance were below our expectations. This was due to profit underperformance mainly in our Content and Data&Digital Media practices, where growth in costs ran ahead of growth in gross profit/net revenue. We began taking action to correct this at the end of the period and this continues into the second half. Our focus is on tight cost management and commercials, such as pricing. We are starting to see an improved performance and expect this to continue through the second half of 2022 and into 2023, as we build a stronger platform. This however will result in an even more skewed second half Operational EBITDA performance than in prior years.

We have also invested in our finance teams and processes. Changes have already been implemented at the Board, Company and Content practice levels in financial reporting and control, internal audit, governance, risk and compliance. This remains a key priority for the company for the second half and we expect to see ongoing investment in our team and systems over the next few years to support the business as it continues to grow.

Strategic progress

Corporate activity continued in the first half, with the Data&Digital Media practice announcing the combination with 4Mile in the United States in January. The Technology Services practice combined with TheoremOne in May. This is a larger and important combination that has scaled our Technology Services practice. After the period end in July, the Content practice announced a combination with XX Artists. Our combinations have generated significant revenue synergies through development of existing and new client opportunities across all three practices and geographies. Combinations remain a key part of our growth strategy, however for the time being we are focused on organic growth and maximising value from our existing business, where the organic momentum remains strong.

We reported our Carbon Neutral status through obtaining official certification for 2021 in May 2022 achieving our carbon neutrality ambitions well ahead of our 2024 target. We are assessing the feasibility of setting Science Based Targets (SBTi) and continue our ESG risk assessments and reporting, for example CDP, the gold standard for environmental reporting, for which we are maturing our ESG data gathering processes. We are both reducing our emissions in our own operations as well as through sustainable design for our clients while we are creating more inclusive cultures and experiences. Our longer-term ambition remains to become B Corporation certified.

Whilst GDP growth is a driver of our four addressable markets - global media, marketing services, trade budgets and digital marketing transformation - the key trend for S^{4}Capital is that the digital segments of these markets, as opposed to the analogue, are still forecast to continue to grow significantly. Despite the changes in the economic outlook, digital advertising is still forecast to grow by 10-15% inside the United States and strongly outside, whilst analogue growth will be anaemic. Our own analysis of analysts' current forecasts (Morgan Stanley, Evercore ISI, eMarketer 2022) indicates that the top 8 global digital platforms are forecast to grow advertising revenues by 13% in 2023, which represents an acceleration from around 10% in

2022. Advertising as a proportion of US GDP is still forecast to rise from under 1% to approximately 1.4%, closer to its historical level, purely because of the continued rise of digital advertising at around 10-15% per annum to a share of 70% in 2025 against 62% last year. Other addressable markets are projected to grow at significantly higher rates such as cloud platform growth (31%), marketing technology software (19%) and digital transformation spend (17%), all contribute to our confidence around our gross profit/net revenue target and three year plans. In addition, as we saw in 2020 with the pandemic, the client demand for digital marketing transformation intensifies as GDP growth slows and organic volume gains for clients lessen and become more difficult.

Board update

In January 2022 we were pleased to welcome Mary Basterfield as our new Group Chief Financial Officer and Director, Mary has over 20 years of extensive financial experience and, since joining, Mary has appointed several experienced finance professionals within the Group and Practice finance teams. The team is strengthening processes to support our future growth and we have made significant progress.

After the period end, on 2 August 2022, Colin Day was appointed to S^{4}Capital's Board as a Non-Executive Director including as the new Chair of the Audit and Risk Committee, as part of our previously indicated plans to invest in and tighten its financial control, risk and governance processes at the Board level. Colin has decades of experience in both management and governance roles. The previous Chair is Senior Independent Director, Rupert Faure Walker, who remains a member of the Audit and Risk Committee and the Nomination and Remuneration Committee.

The Audit and Risk Committee's role is to assist the Board with the discharge of its responsibilities in relation to external audits and controls, including reviewing financial statements, considering the scope of the work undertaken by external auditors and reviewing the effectiveness of the internal control systems in place within the Group.

In addition, Christopher S. Martin, one of the founders of MightyHive Inc. with extensive experience at Yahoo Inc. in post-merger integration, has been appointed Chief Operating Officer, to scale the Company's organisational structure and processes.

We will now have a Board of 15 directors, nine non-executive directors of which four are women and five are men, and six executive directors.

Financial review

Summary of result

£ millions	**Six months ended 30 June 2022**	Six months ended 30 June 2021[2]	change Reported	change Like-for-like[3]	change Pro-forma[4]
Billings[1]	**765.6**	547.5	39.8%	22.2%	22.5%
Revenue	**446.4**	279.3	59.8%	30.7%	30.9%
Gross profit/net revenue	**375.3**	236.7	58.6%	27.8%	28.2%
Operational EBITDA[5]	**30.1**	34.3	-12.4%	-41.2%	-34.7%
Operational EBITDA margin[5]	**8.0%**	14.5%	-650*bps*	-940*bps*	-900*bps*
Adjusted[6] operating profit	**25.4**	31.3	-18.7%	-47.0%	-39.6%
Adjusted[6] operating profit margin	**6.8%**	13.2%	-640*bps*	-960*bps*	-920*bps*
Net finance expenses and loss on net monetary position	**(10.2)**	(3.2)	-214.6%	-119.4%	-129.4%
Adjusted[6] result before income tax	**15.2**	28.1	-45.8%	-64.9%	-55.6%
Adjusted[6] Income tax expenses	**(3.2)**	(9.8)	66.5%	74.1%	73.8%
Adjusted[6] result for the period	**12.0**	18.3	-34.8%	-61.1%	-49.3%
Adjusted[6] basic earnings per share *(pence)*	**2.1**	3.4	-1.3*p*	-3.6*p*	-3.5*p*

Reconciliation to non-GAAP measures of performance

£ millions	**Six months ended 30 June 2022**	Six months ended 30 June 2021[2]
Operating loss	**(75.4)**	(16.6)
Amortisation*	**24.2**	18.0
Acquisition and set-up related expenses**	**69.7**	23.6
Share based compensation	**6.9**	6.3
Adjusted[6] operating profit	**25.4**	31.3
Net finance expenses and loss on net monetary position	**(10.2)**	(3.2)
Adjusted[6] result before income tax	**15.2**	28.1
Income tax credit/(expense)	**3.2**	(3.1)
Tax on adjusting items	**(6.4)**	(6.7)
Adjusted[6] result for the period	**12.0**	18.3

* Amortisation relates to the amortisation of intangible assets identified as part of the purchase price allocation exercise as a result of the acquisitions.
** Acquisition and set-up related expenses relate to acquisition related advisory fees of £3.6 million, contingent consideration as remuneration of £67.8 million and remeasurement gain on contingent considerations of £1.7 million.

Revenue

Billings were £765.6 million, up 39.8% on a reported basis, 22.2% on a like-for-like basis and 22.5% on a pro-forma basis.

Revenue was £446.4 million, up 59.8% from £279.3 million on a reported basis, 30.7% on a like-for-like basis and 30.9% on a pro-forma basis.

Reported gross profit/net revenue was £375.3 million, up 58.6% from £236.7million for the comparable period in 2021, 27.8% like-for-like and 28.2% pro-forma.

Practice performance and net revenue by geography

£ millions	**Six months ended 30 June 2022**	Six months ended 30 June 2021[2]	change Reported	change Like-for-like[3]	change Pro-forma[4]
Content	**250.2**	157.1	59.3%	25.7%	25.7%
Data&Digital media	**100.7**	79.6	26.4%	23.1%	23.5%
Technology Services	**24.4**	-	100.0%	89.2%	57.9%
Gross profit/net revenue	**375.3**	236.7	58.6%	27.8%	28.2%
Americas	**279.4**	168.8	65.5%	26.0%	26.6%
EMEA	**66.9**	48.3	38.6%	36.0%	36.0%
Asia-Pacific	**29.0**	19.6	48.1%	27.6%	27.6%
Gross profit/net revenue	**375.3**	236.7	58.6%	27.8%	28.2%
Content	**14.0**	16.7	-16.7%	-49.9%	-49.9%
Data&Digital media	**17.4**	22.4	-22.6%	-29.3%	-28.9%
Technology Services	**8.8**	-	100.0%	147.1%	71.1%
S4 Central	**(10.1)**	(4.8)	-107.6%	-107.9%	-107.9%
Operational EBITDA	**30.1**	34.3	-12.4%	-41.2%	-34.7%

Gross profit, Operational EBITDA and Operational EBITDA margins by practice
Content practice gross profit/net revenue was £250.2 million (67% of total gross profit), up 59.3% on a reported basis from last year, on a like-for-like basis up 25.7% and 25.7% on pro-forma basis.

Data&Digital Media practice gross profit/net revenue was £100.7 million (27% of total gross profit), up 26.4%, from last year on a reported basis, on a like-for-like basis up 23.1% and on a pro-forma basis was 23.5%.

Technology Services gross profit/net revenue was £24.4 million (6% of total gross profit/net revenue), on a like for like basis up 89.2% and on a pro-forma basis was 57.9%.

Content practice operational EBITDA was £14.0 million, down 16.7% on a reported basis verses last year, and down 49.9% on a like-for-like basis and down 49.9% on a pro-forma basis, reflecting a significant, increased investment in talent. The Content practice operational EBITDA margin was 5.6%, compared to 10.7% last year, reflecting increased investment in human capital in the first half of the year to staff "whoppers" and prepare for a stronger second half. This investment in hiring ran further ahead of gross profit/net revenue growth in the first half than expected.

Data&Digital Media practice operational EBITDA was £17.4 million, down 22.6% on a reported basis from last year and down 29.3% on a like-for-like basis and 28.9% on a proforma basis. Data&Digital Media practice operational EBITDA margin was 17.2%, compared to 28.2% last year, reflecting the increased investment in human capital to drive future growth and an increase in travel, office and other operating expenses post covid 19.

The Technology Services practice which now includes Zemoga and TheoremOne has performed strongly with operational EBITDA of £8.8 million representing an EBITDA margin of 36.1%.

Gross profit/net revenue by Geography
Americas (74% of total) was £279.4 million, up 65.5% on a reported basis from last year. On a like-for-like basis Americas gross profit/net revenue was up 26.0% and up 26.6% on a pro-forma basis reflecting continued out performance of the market and growth in our "whoppers" and major clients.

EMEA (18% of total gross profit/net revenue) was £66.9 million, up 38.6% from last year on a reported basis. On both a like-for-like and pro-forma basis EMEA gross profit/net revenue was up 36.0% primarily reflecting "whopper" growth in the key markets.

Asia Pacific (8% of total) was £29.0 million, up 48.1% on a reported basis. On both a like-for-like and pro-forma basis Asia Pacific gross profit/net revenue was up 27.6% reflecting continued strong organic growth.

Financial performance

Reported Operational Earnings Before Interest Taxes Depreciation and Amortisation ('EBITDA') was £30.1 million versus £34.3 million, a decrease of 12.4%, reflecting continued investment in hiring for expansion and some post covid normalisation of travel and office costs. Operational EBITDA was down 41.2% on a like-for-like basis and down 34.7% on a pro-forma basis, primarily reflecting increased hiring to support growth. In the first half we saw hiring run further ahead of gross profit/net revenue growth and as a result we have implemented cost control measures including a break in hiring and discretionary costs controls to support the anticipated stronger profit delivery in the second half.

Adjusted operating profit was down 18.7% from £31.3 million to £25.4 million on a reported basis, before adjusting items of £100.8 million, including non-recurring items, primarily acquisition payments tied to continued employment, share-based compensation, and amortisation of business combination intangible assets. Like-for-like adjusted operating profit was down 47.0% and pro-forma adjusted operating profit was down 39.6%, primarily reflecting the increase in like-for-like number of people in the company, as the hiring exceeded the gross profit net revenue growth in the first half.

Adjusted result before income tax was £15.2 million, down 45.8% versus £28.1 million in the comparable period last year reflecting the reduction in adjusted operating profit and higher finance costs due to the term loan (which was not in place in the first half of 2021). On a like-for-like basis adjusted result before income tax was down 64.9% and down 55.6% on a pro-forma basis.

Adjusted result for the period was £12.0 million, down 34.8% on a reported basis, down 61.1% on a like-for-like basis and down 49.3% on a pro-forma basis.

Operating loss £75.4 million, which includes £100.8 million of primarily combination payments, some linked to continued employment, and the associated expense and amortisation totalling £93.9 million versus £41.6 million in the first half of 2021.

Basic and diluted loss per share was 14.5p versus 4.2p loss in 2021.

Adjusted basic earnings per share was 2.1p, versus adjusted basic earnings per share of 3.4p in the first half of 2021. The weighted average number of shares as of 30 June 2022 was 567,714,015 (2021: 544,589,568).

The Board has decided that there will be no interim dividend declared for the first half of 2022.

Balance sheet liquidity
Liquidity remains strong with half-year end net debt around £135 million or 1.2x net debt/operational EBITDA, below the lower end of the guidance range of £140-£190 million, reflecting combination payments made during the first half, principally for TheoremOne and improvement in working capital management. Further combination payments in the second half of £21 million are anticipated by 2022 year end and net debt is expected to be in the range of £130 - £170 million.

Outlook
The global economy is in a difficult place. Since the beginning of 2022, many political and economic challenges have been added to climate change, diversity, equity and inclusion - the war in Ukraine and Russian expansion, rising inflation, increasing interest rates, fracturing US/China relations, Iran amongst others. Despite all these uncertainties, revised growth forecasts for digital advertising and digital transformation continue to significantly outperform analogue segments.

For example, digital advertising in the United States is forecast to grow by 10-15% per annum over the next three years, with advertising as a proportion of US GDP forecast to grow from under 1% to 1.4%, solely due to growth in digital segments, whilst analogue or linear remains flat or declining. Digital transformation growth forecasts are even stronger and there is evidence, for example during the pandemic in 2020, that when GDP growth falters, client demand for digital advertising and transformation intensifies. Our targets from the end of July for 2022 remains unchanged and we continue to expect to outperform our addressable markets in 2023 and beyond.

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 by integrating leading businesses in three practice areas: Content, Data&Digital Media and Technology Services, along with an emphasis on "faster, better, more efficient" 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 2021 digital accounted for over 60% or $420-450 billion of total global advertising spend of $700-750 billion (excluding over $500 billion of trade promotion marketing, the primary target of the Amazon advertising platform) and projects that by 2022 total global advertising spend will expand to $770-850 billion and digital's share will grow to approximately 65% and by 2024 to approximately 70%, accelerated by the impact of covid-19.

In 2018, S4Capital combined with MediaMonks, the leading AdAge A-listed creative digital content production company led by Victor Knaap and Wesley ter Haar and then with MightyHive, the market-leading digital media solutions provider for future thinking marketers and agencies, led by Peter Kim and Christopher S. Martin.

Since then, MediaMonks and MightyHive have combined with more than 25 companies across Content, Data&Digital Media and Technology Services. For a full list, please see the S4Capital website.

In August 2021, S4Capital launched its unitary brand by merging MediaMonks and MightyHive into Media.Monks, represented by a dynamic logo mark that features MightyHive's iconic hexagon. As the operational brand, Media.Monks underpins S4Capital's agility, digital knowledge and efficiency and is the next step in delivering on its foundational promise to unify Content, Data&Digital Media and Technology Services.

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

The Company has 9,100 people in 32 countries with approximately 70% of revenue across the Americas, 20% across Europe and 10% across the Middle East and Africa and Asia-Pacific. The longer-term objective is a split of 60%:20%:20%. Content currently accounts for approximately 60% of revenue, Data&Digital Media 30% and Technology Services 10%. The long-term objective is a split of 50%:25%:25%.

Unaudited consolidated interim statement of profit or loss

for the six month period ended 30 June 2022

	Notes	Six months ended 30 June 2022 £000	Six months ended 30 June 2021[2] £000	Year ended 31 Dec 2021 £000
Revenue	6	446,439	279,288	686,601
Cost of sales		(71,162)	(42,626)	(126,338)
Gross profit	6	**375,277**	**236,662**	**560,263**
Personnel costs		(308,812)	(183,003)	(412,537)
Other operating expenses		(36,108)	(20,674)	(49,829)
Acquisition and set-up related expenses	15	(69,698)	(23,615)	(83,496)
Depreciation and amortisation		(36,013)	(25,960)	(56,456)
Total operating expenses		(450,631)	(253,252)	(602,318)
Operating loss		**(75,354)**	**(16,590)**	**(42,055)**
Adjusted operating profit		25,453	31,324	94,808
Adjusting items	15	(100,807)	(47,914)	(136,863)
Operating loss		(75,354)	(16,590)	(42,055)
Finance income		768	413	1,032
Finance expenses		(10,372)	(3,663)	(13,283)
Net finance expenses		(9,604)	(3,250)	(12,251)
Loss on the net monetary position		(620)	-	(1,344)
Loss before income tax		**(85,578)**	**(19,840)**	**(55,650)**
Income tax credit/(expense)		3,181	(3,147)	(1,065)
Loss for the period		**(82,397)**	**(22,987)**	**(56,715)**
Attributable to owners of the Company		(82,397)	(22,987)	(56,715)
Attributable to non-controlling interests		-	-	-
		(82,397)	**(22,987)**	**(56,715)**
Loss per share is attributable to the ordinary equity holders of the Company				
Loss per share (pence)	8	(14.5)	(4.2)	(10.3)
Diluted loss per share (pence)	8	(14.5)	(4.2)	(10.3)

Unaudited consolidated interim statement of comprehensive income

for the six month period ended 30 June 2022

	Six months ended 30 June 2022 £000	Six months ended 30 June 2021[2] £000	Year ended 31 Dec 2021 £000
Loss for the period	**(82,397)**	**(22,987)**	**(56,715)**
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Foreign operations – foreign currency translation differences	70,364	(16,618)	(6,358)
	70,364	(16,618)	(6,358)
Total comprehensive loss for the period	**(12,033)**	**(39,605)**	**(63,073)**
Attributable to owners of the company	(12,033)	(39,605)	(63,073)
Attributable to non-controlling interests	-	-	-
	(12,033)	**(39,605)**	**(63,073)**

Unaudited consolidated interim balance sheet

as at 30 June 2022

	Notes	As at 30 June 2022 £000	As at 30 June 2021 Restated[7] £000	As at 31 Dec 2021 Restated[8] £000
Assets				
Non-current assets				
Intangible assets	9	1,189,535	859,033	981,326
Right-of-use assets		49,215	30,747	36,608
Property, plant and equipment		29,781	16,311	21,548
Deferred tax assets		10,492	3,466	6,526
Other receivables		11,228	3,680	3,185
		1,290,251	913,237	1,049,193
Current assets				
Trade and other receivables	10	349,731	233,985	335,498
Cash and cash equivalents		193,118	119,566	301,021
		542,849	353,551	636,519
Total assets		1,833,100	**1,266,788**	**1,685,712**
Liabilities				
Non-current liabilities				
Deferred tax liabilities		67,152	57,460	68,627
Loans and borrowings	11	315,333	41,430	308,571
Lease liabilities		40,167	24,978	31,423
Contingent consideration and holdbacks		14,885	31,482	31,749
Other payables		2,940	2,033	2,845
		440,477	157,383	443,215
Current liabilities				
Trade and other payables	12	318,311	225,971	324,059
Contingent consideration and holdbacks		142,005	50,921	86,632
Loans and borrowings	11	5,400	70,813	2,523
Lease liabilities		15,109	9,371	10,545
Tax liabilities		19,874	18,215	17,500
		500,699	375,291	441,259
Total liabilities		941,176	**532,674**	**884,474**
Net assets		891,924	**734,114**	**801,238**
Equity				
Share capital		139,021	137,102	138,827
Reserves		752,803	596,912	662,311
Attributable to owners of the company		891,824	734,014	801,138
Non-controlling interests		100	100	100
Total equity		891,924	**734,114**	**801,238**

Unaudited consolidated interim statement of cash flows

for the six month period ended 30 June 2022

	Notes	Six months ended 30 June 2022 £000	Six months ended 30 June 2021[2] £000	Year ended 31 Dec 2021 £000
Cash flows from operating activities	13	**(2,333)**	**17,191**	**68,496**
Income taxes paid		(7,383)	(7,862)	(13,874)
Net cash (used)/generated from operating activities		**(9,716)**	**9,329**	**54,622**
Cash flows from investing activities				
Investments in intangible assets		(497)	(411)	(3,458)
Investments in property, plant and equipment		(10,231)	(3,562)	(11,119)
Acquisition of subsidiaries, net of cash acquired		(93,245)	(46,942)	(86,604)
Tax paid as result of acquisition		-	-	(5,116)
Financial fixed assets		502	(391)	(323)
Net cash used in investing activities		**(103,471)**	**(51,306)**	**(106,620)**
Cash flows from financing activities				
Proceeds from issuance of shares		-	-	1,143
Additional borrowings during the year	11	-	24,057	342,994
Payment of lease liabilities		(7,601)	(5,401)	(10,903)
Repayments of loans and borrowings		(166)	-	(110,895)
Transaction costs paid on borrowings		(288)	-	(8,379)
Interest paid		(6,585)	(1,765)	(5,530)
Net cash (used)/generated from financing activities		**(14,640)**	**16,891**	**208,430**
Net (decrease)/increase in cash and cash equivalents		(127,827)	(25,086)	156,432
Cash and cash equivalents beginning of the year		299,122	142,052	142,052
Exchange gain on cash and cash equivalents		17,060	2,600	638
Cash and cash equivalents at end of period		**188,355***	**119,566**	**299,122****

Note:

* Including bank overdrafts of £4.8 million.

** Including bank overdrafts of £1.9 million

Unaudited consolidated interim statement of changes in equity

for the six-month period ended 30 June 2022

Equity	*Number of shares*	Share capital £000	Share premium £000	Merger reserves £000	Other reserves* £000	Foreign exchange reserves £000	Accumulated losses £000	Total £000	Non-controlling interests £000	Total equity £000
Balance at 1 January 2021	***542,065,458***	**135,516**	**364,195**	**205,717**	**29,275**	**(15,845)**	**(3,181)**	**715,677**	**100**	**715,777**
Comprehensive income or (loss) for the period										
Loss for the period[2]	-	-	-	-	-	-	(22,987)	**(22,987)**	-	**(22,987)**
Foreign currency translation differences	-	-	-	-	-	(16,618)	-	**(16,618)**	-	**(16,618)**
Total comprehensive loss for the period	-	-	-	-	-	(16,618)	(22,987)	**(39,605)**	-	**(39,605)**
Transactions with owners of the company										
Business combinations	*6,343,254*	1,586	31,880	-	18,164	-	-	**51,630**	-	**51,630**
Employee share schemes	-	-	-	-	-	-	6,312	**6,312**	-	**6,312**
Balance as at 30 June 2021[2]	***548,408,712***	**137,102**	**396,075**	**205,717**	**47,439**	**(32,463)**	**(19,856)**	**734,014**	**100**	**734,114**
Comprehensive income or (loss) for the period										
Loss for the period	-	-	-	-	-	-	(33,728)	**(33,728)**	-	**(33,728)**
Foreign currency translation differences	-	-	-	-	-	10,260	-	**10,260**	-	**10,260**
Total comprehensive income or (loss) for the period	-	-	-	-	-	10,260	(33,728)	**(23,468)**	-	**(23,468)**
Hyperinflation revaluation	-	-	-	-	1,633	-	-	**1,633**	-	**1,633**
Transactions with owners of the company										
Issue of Ordinary Shares	-	-	-	-	-	-	-	**-**	-	**-**
Business combinations	*6,898,860*	1,725	50,835	-	27,692	-	-	**80,252**	-	**80,252**
Employee share schemes	-	-	-	-	(110)	-	8,817	**8,707**	-	**8,707**
Balance as at 31 December 2021	***555,307,572***	**138,827**	**446,910**	**205,717**	**76,654**	**(22,203)**	**(44,767)**	**801,138**	**100**	**801,238**
Comprehensive income or (loss) for the period										
Loss for the period	-	-	-	-	-	-	(82,397)	**(82,397)**	-	**(82,397)**
Foreign currency translation differences	-	-	-	-	-	70,364	-	**70,364**	-	**70,364**
Total comprehensive income or (loss) for the period	-	-	-	-	-	70,364	(82,397)	**(12,033)**	-	**(12,033)**
Hyperinflation revaluation	-	-	-	-	1,753	-	-	**1,753**	-	**1,753**
Transactions with owners of the company										
Business combinations	*777,894*	194	2,887	-	91,005	-	-	**94,086**	-	**94,086**
Employee share schemes	-	-	-	-	315	-	6,565	**6,880**	-	**6,880**
Balance as at 30 June 2022	***556,085,466***	**139,021**	**449,797**	**205,717**	**169,727**	**48,161**	**(120,599)**	**891,824**	**100**	**891,924**

*Other reserves include the deferred equity consideration of £168.0 million, made up of the following: TheoremOne £56.2 million, Raccoon for £49.1 million, Decoded for £47.9 million, Cashmere for £6.9 million, Zemoga for £5.4 million, 4Mile for £2.3 million and Destined for £0.2 million (2021: £77.0 million), the treasury shares issued in the name of S^{4}Capital Group to an employee benefit trust for the amount of £2.2 million (2021: £2.5 million), and hyperinflation impact in Argentina of £3.4m (2021: £1.6m).

Notes to the unaudited consolidated interim financial statements

for the six-month period ended 30 June 2022

1. General information

S^{4}Capital Plc ('S^{4}Capital 'or 'Company') is a public limited company incorporated on 14 November 2016 in the United Kingdom. The Company has its registered office at 12 St James's Place, London, SW1A 1NX, United Kingdom.

The unaudited consolidated interim financial statements represent the results of the Company and its subsidiaries (together referred to as 'S^{4}Capital Group 'or the 'Group'). An overview of the subsidiaries is provided in note 14 on page 140 of the Annual Report and Accounts 2021.

S^{4}Capital Group is a new age/new era digital advertising and marketing services company.

2. Basis of preparation

A. Statement of compliance

This report is to be read in conjunction with the Annual Report and Accounts of S^{4}Capital plc for the year ended 31 December 2021 and has been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The unaudited consolidated interim financial statements for the 6 months period ended 30 June 2022 are a condensed set of financial information and have been prepared on the basis of the policies set out in the 2021 annual financial statements and in accordance with UK adopted IAS 34 and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority.

The Group has undertaken a detailed going concern assessment, reviewing its current and projected financial performance and position. The Directors believe that the Group's forecasts have been prepared on a prudent basis and have also considered the impact of future acquisitions. On 6 August 2021, S^{4}Capital Group signed a new facility agreement, consisting of a Term Loan B of EUR 375 million (expiring August 2028) and a multicurrency Revolving Credit Facility (RCF) of £ 100 million (expiring August 2028). Considering the Group's bank covenant and liquidity headroom and cost mitigation actions which could be implemented, the Directors have concluded that the Group will be able to operate within its facilities and comply with its banking covenants for the foreseeable future and therefore believe it is appropriate to prepare the financial statements of the Group on a going concern basis and that there are no material uncertainties which gives rise to a significant going concern risk. Given its debt maturity profile and available facilities, the Directors believe the Group has sufficient liquidity to match its requirements for the foreseeable future.

The unaudited consolidated interim financial statements were authorized for issue by the Board of Directors on 21 September 2022.

B. Functional and presentation currency

The unaudited consolidated interim financial statements are presented in Pound Sterling (GBP or £), the Company's functional currency. All financial information in Pound Sterling has been rounded to the nearest thousand unless otherwise indicated.

3. Significant accounting policies

The unaudited consolidated interim financial statements have been prepared on a consistent basis with the accounting policies of the Group which were set out on pages 113 to 123 of the Annual Report and Accounts 2021. No changes have been made to the Group's accounting policies in the period ended 30 June 2022.

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

4. Statutory information and independent review

These condensed consolidated half year financial statements do not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2021 have been delivered to the Registrar of Companies and received an unqualified auditors' report, did not include a reference to any matters to which the auditors drew attention by way of an emphasis of matter and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006. The consolidated interim financial statements are unaudited but have been reviewed by the auditors and their report is set out on the last page.

5. Acquisitions

Business Combinations

Details of the provisional fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill of the subsidiaries acquired in the period ended 30 June 2022 are as follows:

	4Mile *£000*	TheoremOne *£000*	Total *£000*
Intangible assets – Customer relationships	7,725	81,102	88,827
Intangible assets – Brand names	366	1,881	2,247
Intangible assets – Order Backlog	822	7,023	7,845
Intangible assets – Software	325	-	325
Property, plant and equipment	42	553	595
Cash and cash equivalents	2,334	5,238	7,572
Trade and other receivables	1,674	11,293	12,967
Other non-current assets	1	140	141
Trade and other payables	(1,525)	(2,225)	(3,750)
Other non-current liabilities	(258)	3	(255)
Net assets	11,506	105,008	116,514
Goodwill	13,574	39,157	52,731
Total purchase consideration	**25,080**	**144,165**	**169,245**
Cash	6,964	77,975	84,939
Deferred consideration	2,264	56,188	58,452
Contingent consideration	12,450	-	12,450
Holdback obligations	3,402	10,002	13,404
Total purchase consideration	**25,080**	**144,165**	**169,245**
Cash purchase consideration	6,964	77,975	84,939
Cash and cash equivalents acquired	2,334	5,238	7,572
Cash outflow on acquisition (net of cash acquired)	**4,630**	**72,737**	**77,367**

With all combinations 100% of the voting equity interest has been acquired.

Content Practice

During the period ending 30 June 2022 there were no businesses combined with the Content practice.

Data & Digital Media practice

/ On 11 January 2022, S[4]Capital Plc announced the business combination between MediaMonks and 4 Mile Analytics, a California-based leader in data analytics, data engineering, data governance, software engineering, UX design and project & product management, for an expected total consideration, including contingent consideration, of approximately £25.1 million. Since the acquisition date, 4Mile contributed £4.4 million to the Group's revenue and £1.0 million profit for the six-month ended 30 June 2022. Once the opening balance sheet is finalised the purchase price allocation can be concluded and therefore the assets and liabilities remain provisional. During the measurement period, S[4]Capital plc will obtain the information necessary to identify and measure the assets and liabilities and retrospectively adjust the provisional amounts recognised at the acquisition date.

Technology Services practice

- On 16 May 2022, S[4]Capital Plc announced the business combination between TheoremOne and Media.Monks, a California-based leader in agile, full-stack, innovation, engineering, and design and helps major enterprises achieve strategic digital transformation, for an expected total consideration, including contingent consideration, of approximately £144.2 million. Since the acquisition date, TheoremOne contributed £9.3 million to the Group's revenue and £3.9 million profit for the six-month ended 30 June 2022. Once the opening balance sheet is finalised the purchase price allocation can be concluded and therefore the assets and liabilities remain provisional. During the measurement period, S[4]Capital plc will obtain the information necessary to identify and measure the assets and liabilities and retrospectively adjust the provisional amounts recognised at the acquisition date.

The total consideration, including contingent consideration, for the above two transactions is expected to be approximately £169.2 million.

At the end of the reporting period the purchase price allocation for 4 Mile Analytics and TheoremOne have not been fully completed and therefore the acquisition accounting and resulting goodwill recognised remains provisional. During the measurement period in 2022, S[4]Capital Group will obtain the information necessary to identify and measure the identifiable intangible assets and retrospectively adjust the provisional amounts recognised at the acquisition date.

Goodwill and financial statement line items

The goodwill represents the potential growth opportunities and synergy effects from the acquisitions. The goodwill for 4Mile and TheoremOne is potentially deductible for tax purposes. Trade receivables, net of expected credit losses, acquired are considered to be fair value and are expected to be collectable in full. The gross contractual amounts receivable of the acquired companies at the acquisition date are £8.9 million and the best estimate at the acquisition date of the contractual cash flows not expected to be collected is £2 million, which is adjusted in the acquisition workings.

Contingent consideration arising from business combinations is fair valued, with key inputs including the probability of success of the combinations achieving target, consideration of potential delays and the expected levels of future revenues. The contingent consideration is contingent on the acquired companies achieving their 2022 results and, in some cases their 2023 results, as forecasted upon acquiring the subsidiary. The contingent considerations are included for the maximum amount of the consideration expected to be paid which is in line with management's estimate of expected pay-out. In 2022, the contingent consideration arising from business combinations is £12.5 million. The contingent consideration can be materially lower in case the acquired companies do not reach their forecasted results. Contingent consideration classified as a liability is subject to remeasurement at each reporting date until its ultimate settlement date. Any change in the fair value of the liability due to events that occur after the acquisition date would be recognised in the profit or loss.

Deferred considerations are commonly expected to be paid on the second-year anniversary of the acquisition date. Holdbacks, as part of the purchase consideration are in some cases held in third party escrow accounts and are expected to be released within four years of the acquisition date. As at 30 June 2022, the third party escrow balances are reported under non-current other receivables and current other receivables in line with the expected release dates.

The contingent consideration of £126.7 million and holdbacks of £30.2 million as at 30 June 2022 includes £73.2million of employment linked payables. During the reporting period, an amount of £15.9 million of contingent consideration and holdbacks have been paid.

The total acquisition costs of £3.6 million (2021: £1.7 million) have been recognised under acquisition and set-up related expenses in the statement of profit or loss.

Since the acquisition date, the acquired companies, 4 Mile Analytics and TheoremOne, contributed £13.7 million to the Group's revenue and £5.0 million into the Group's profit for the half year period ended 30 June 2022.

If the acquisitions had occurred on 1 January 2022, the Group's revenue would have been £469.0 million and the Group's loss for the year would have been £107.7 million.

Restatements

As stated on page 18 of the Group's interim report for the period ended 30 June 2021, the initial accounting for the business combination of Tomorrow, Jam3, Staud Studios and Raccoon, were incomplete by the end of the six-month reporting period ended 30 June 2021. Therefore, the assets and liabilities acquired were not fully identified, were consequently not fully measured, and were therefore not fully deducted from goodwill as at 30 June 2021.

In the second half of 2021, S[4]Capital Group obtained the information necessary to identify and measure the identifiable assets and liabilities for the business combinations of Tomorrow, Jam3, Staud Studios and Raccoon and has adjusted its assets and liabilities as of 30 June 2021, as required by IFRS 3, as follows:

Restatement Note	30 June 2021 reported £'000	Adjustment £'000	30 June 2021 restated £'000
Intangible assets – Customer relationships	22,038	17,067	39,105
Intangible assets – Brand names	654	657	1,311
Intangible assets – Order backlog	1,321	338	1,659
Intangible assets – Software	661	168	829
Property, plant and equipment, ROU assets	5,264	(570)	4,694
Cash and cash equivalents	4,026	122	4,148
Trade and other receivables	12,706	(2,698)	10,008
Other non-current assets	48	-	48
Trade and other payables	(6,509)	(211)	(6,720)
Current taxation	(7,360)	(30)	(7,390)
Lease liabilities	(3,150)	54	(3,096)
Other non-current liabilities	(773)	(25)	(798)
Deferred taxation	(6,367)	3,520	(2,847)
Net assets	22,559	18,392	40,951
Goodwill	73,431	(22,302)	51,129
Total purchase consideration	**95,990**	**(3,910)**	**92,080**
Payment in kind (common stock)	21,740	-	21,740
Cash	36,218	(1,332)	34,886
Deferred consideration	18,164	(1,329)	16,835
Contingent consideration	19,037	(1,130)	17,907
Holdback obligations	831	(119)	712
Total purchase consideration	**95,990**	**(3,910)**	**92,080**
Purchase consideration – cash	36,218	(1,332)	34,886
Cash and cash equivalents	4,026	122	4,148
Cash outflow on acquisition (net of cash acquired)	**32,192**	**(1,454)**	**30,738**

In addition to the above, the Group's balance sheet as at 30 June 2021 was also restated for the fair value adjustments for the business combinations in 2020 which include Orca, Brightblue, Metric Theory and Decoded. Details are provided in note 4 on page 127 of the Annual Report and Accounts 2021.

The profit and loss account for the period ended 30 June 2021 was restated for the amortisation (£0.5 million charge) and related tax (£1.4 million charge) as a result of the above restatements.

As stated on page 124 of the Group's 2021 annual accounts report, the initial accounting for the business combination of Cashmere, Maverick and Raccoon, were incomplete by the end of the reporting period ended 31 December 2021. As required by IFRS 3, the following adjustments have been made to deferred tax and consideration based on the information obtained post 31 December 2021, which had no material impact on the profit and loss statement.

Restatement Note	31 Dec 2021 reported £'000	Adjustment £'000	31 Dec 2021 restated £'000
Intangible assets – Customer relationships	86,552	-	86,552
Intangible assets – Brand names	2,804	-	2,804
Intangible assets – Order backlog	3,547	-	3,547
Intangible assets – Software	829	-	829
Property, plant and equipment, ROU assets	8,849	-	8,849
Cash and cash equivalents	15,839	-	15,839
Trade and other receivables	20,918	-	20,918
Other non-current assets	703	-	703
Trade and other payables	(21,897)	-	(21,897)
Current taxation	(8,439)	-	(8,439)
Lease liabilities	(6,354)	-	(6,354)
Other non-current liabilities	(2,288)	-	(2,288)
Deferred taxation	(16,337)	(160)	(16,497)
Net assets	84,726	(160)	84,566
Goodwill	134,975	416	135,391
Total purchase consideration	**219,701**	**256**	**219,957**
Payment in kind (common stock)	56,236	-	56,236
Cash	77,204	-	77,204
Deferred consideration	28,444	-	28,444
Contingent consideration	57,817	256	58,073
Total purchase consideration	**219,701**	**256**	**219,957**
Purchase consideration – cash	77,204	-	77,204
Cash and cash equivalents	15,839	-	15,839
Cash outflow on acquisition (net of cash acquired)	**61,365**	**-**	**61,365**

6. Segment information

Revenue from operations

	Six months ended 30 June 2022 £000	Six months ended 30 June 2021 £000	Year ended 31 Dec 2021 £000
Services	446,439	279,288	686,601
Total	**446,439**	**279,288**	**686,601**

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.

During the reporting period, S^{4}Capital Group has been active in three segments:

- Content Practice: 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.
- Data&Digital Media Practice: Full-service campaign management analytics, creative production and ad serving, platform and systems integration and transition and training and education.
- Technology Services: Digital transformation services in providing advanced digital product design, engineering services and delivery services.

The customers are primarily businesses across technology, FMCG and media & entertainment. Any intersegment transactions are based on commercial terms.

The Board of Directors 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.

Operating segment information under the primary reporting format is disclosed below:

Six months ended 30 June 2022	Content £000	Data & Digital Media £000	Technology Services £000	Total £000
Gross profit	**250,180**	**100,664**	**24,433**	**375,277**
Segment profit*	**13,950**	**17,362**	**8,831**	**40,143**
Overhead cost				(10,050)
Adjusted non-recurring and acquisition related expenses				(76,578)
Depreciation and amortisation**				(28,869)
Net Finance expenses and gain on net monetary position				(10,224)
Loss before income tax				**(85,578)**

* Including £7.1 million depreciation on right-of-use assets.
** Excluding £7.1 million depreciation on right-of-use assets.

Six months ended 30 June 2021	Content £000	Data & Digital Media £000	Total[2] £000
Gross profit	**157,047**	**79,615**	**236,662**
Segment profit*	**16,750**	**22,437**	**39,187**
Overhead cost			(4,840)
Adjusted non-recurring and acquisition related expenses			(29,927)
Depreciation and amortisation**			(21,010)
Net Finance expenses			(3,250)
Loss before income tax			**(19,840)**

* Including £5.0 million depreciation on right-of-use assets.
** Excluding £5.0 million depreciation on right-of-use assets.

Year ended 31 December 2021	Content £000	Data & Digital Media £000	Technology Services £000	Total £000
Gross profit	**385,552**	**167,079**	**7,632**	**560,263**
Segment profit*	**52,286**	**55,024**	**3,087**	**110,397**
Overhead cost				(9,410)
Adjusted non-recurring and acquisition related expenses				(97,372)
Depreciation and amortisation**				(45,670)
Net finance expenses and loss on net monetary position				(13,595)
Loss before income tax				**(55,650)**

* Including £10.8 million depreciation on right-of-use assets
** Excluding £10.8 million depreciation on right-of-use assets

7. Income tax

	Six months ended 30 June 2022 £000	Six months ended 30 June 2021[2] £000	Year ended 31 Dec 2021 £000
Current tax for the year	(6,325)	(7,377)	(12,638)
Adjustments for current tax of prior years	-	462	620
Total current tax	(6,325)	(6,915)	(12,018)
Movement in deferred tax liabilities	6,174	3,525	6,594
Movement in deferred tax assets	3,332	243	4,359
Income tax credit/(expense)	**3,181**	**(3,147)**	**(1,065)**

8. Earnings per share

	Six months ended 30 June 2022	Six months ended 30 June 2021[2]	Year ended 31 Dec 2021
Loss attributable to owners of the Company (£'000)	**(82,397)**	(22,987)	(56,715)
Weighted average number of ordinary shares	**567,714,015**	544,589,568	551,752,618
Basic loss per share (pence)	**(14.5)**	**(4.2)**	**(10.3)**
Diluted loss per share (pence)	**(14.5)**	**(4.2)**	**(10.3)**

Earnings per share is calculated by dividing the net result attributable to the shareowners of the S^{4}Capital Group by the weighted average number of Ordinary Shares in issue during the period.

9. Intangible assets

	Goodwill £000	Customer relationships £000	Brands £000	Order Backlog £000	Other £000	Total £000
Cost	498,113	307,120	18,557	11,794	11,207	846,791
Accumulated amortisation	-	(32,243)	(3,121)	(7,604)	(2,757)	(45,725)
Net book value at 1 January 2021	**498,113**	**274,877**	**15,436**	**4,190**	**8,450**	**801,066**
Acquired through business combinations	73,431	22,038	654	1,321	661	98,105
Additions	-	-	-	-	411	411
Amortisation charge for the period	-	(11,965)	(1,316)	(2,945)	(1,303)	(17,529)
Foreign exchange differences	(13,480)	(6,846)	(471)	(76)	(162)	(21,035)
Total transactions during the period	**59,951**	**3,227**	**(1,133)**	**(1,700)**	**(393)**	**59,952**
Cost	558,064	321,310	18,652	12,751	12,344	923,121
Accumulated amortisation	-	(43,206)	(4,349)	(10,261)	(4,287)	(62,103)
Net book value at 30 June 2021*	**558,064**	**278,104**	**14,303**	**2,490**	**8,057**	**861,018**
Restatement[7]	(20,916)	17,900	650	203	178	(1,985)
Net book value at 30 June 2021	**537,148**	**296,004**	**14,953**	**2,693**	**8,235**	**859,033**
Acquired through business combinations	82,460	46,614	1,500	2,023	(10)	132,587
Additions	-	-	-	-	3,047	3,047
Amortisation charge for the period	-	(14,797)	(1,996)	(3,435)	(1,734)	(21,962)
Foreign exchange differences	5,018	3,056	40	48	48	8,210
Total transactions during the period	**87,478**	**34,873**	**(456)**	**(1,364)**	**1,351**	**121,882**
Cost	624,626	389,040	20,883	14,987	15,203	1,064,739
Accumulated amortisation	-	(58,163)	(6,386)	(13,658)	(5,617)	(83,824)
Net book value at 31 December 2021	**624,626**	**330,877**	**14,497**	**1,329**	**9,586**	**980,915**
Restatement[8]	411	-	-	-	-	411
Net book value at 31 December 2021	**625,037**	**330,877**	**14,497**	**1,329**	**9,586**	**981,326**
Acquired through business combinations	52,731	88,827	2,247	7,845	325	151,975
Additions	-	-	-	-	557	557
Amortisation charge for the period	-	(16,835)	(2,327)	(3,250)	(1,818)	(24,230)
Foreign exchange differences	49,466	28,717	942	152	630	79,907
Total transactions during the period	**102,197**	**100,709**	**862**	**4,747**	**(306)**	**208,209**
Cost	727,234	511,386	24,724	23,923	17,226	1,304,493
Accumulated amortisation	-	(79,800)	(9,365)	(17,847)	(7,946)	(114,958)
Net book value at 30 June 2022	**727,234**	**431,586**	**15,359**	**6,076**	**9,280**	**1,189,535**

* Goodwill has been restated for the initial accounting for the business combination of Orca, Brightblue, Metric Theory, Decoded amounting to £19.2 million.

10. Trade and other receivables

	Six months ended 30 June 2022 £000	Six months ended 30 June 2021 £000	Year ended 31 Dec 2021 £000
Trade receivables	271,611	199,142	271,747
Prepayments	16,708	6,724	14,516
Accrued income	43,337	18,130	36,870
Other receivables	18,075	9,989	12,365
Total	**349,731**	**233,985**	**335,498**

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. A provision for expected credit loss of £5.8 million was recognised on the Group's trade receivables at the end of the period (30 June 2021 £4.7 million, 31 December 2021 £5.3 million).

11. Loans and borrowings

Loans and borrowings	Bank loans £000	Senior secured term loan B (TLB) £000	Transaction costs £000	Loan interest £000	Total £000
Balance as at 1 January 2021	**91,285**	**-**	**(844)**	**-**	**90,441**
Additions	24,057	-	-	-	24,057
Acquired through business combinations	424	-	-	-	424
Charged to profit-or-loss	-	-	92	-	92
Exchange rate differences	(2,797)	-	26	-	(2,771)
Balance as at 30 June 2021	**112,969**	**-**	**(726)**	**-**	**112,243**
Additions	575	318,938	(8,379)	-	311,134
Acquired through business combinations	2,336	-	-	-	2,336
Loans waived	(1,592)	-	-	-	(1,592)
Repayments	(110,895)	-	-	(5,530)	(116,425)
Charged to profit-or-loss	-	-	1,191	6,169	7,360
Exchange rate differences	(67)	(3,833)	(47)	(15)	(3,962)
Balance as at 31 December 2021	**3,326**	**315,105**	**(7,961)**	**624**	**311,094**
Additions	2,864	-	(288)	-	2,576
Acquired through business combinations	258	-	-	-	258
Loans waived	(266)	-	-	-	(266)
Repayments	(166)	-	-	(6,117)	(6,283)
Charged to profit-or-loss	-	-	517	6,115	6,632
Exchange rate differences	114	6,720	(127)	15	6,722
Balance as at 30 June 2022	**6,130**	**321,825**	**(7,859)**	**637**	**320,733**
Repayment obligations coming 12 months	4,763	-	-	637	5,400
Non-current balance as at 30 June 2022	**1,367**	**321,825**	**(7,859)**	**-**	**315,333**

Facility agreement

On 6 August 2021, S^{4}Capital Group signed a new facility agreement, consisting of a Term Loan B (TLB) of EUR 375 million and a multicurrency Revolving Credit Facility (RCF) of £100 million. The interest on the facilities is the aggregate of the variable interest rate (EURIBOR, LIBOR or, in relation to any loan in GBP, SONIA) and a margin based on leverage (between 2.25% and 3.75%). The duration of the facility agreement is seven years in relation to the TLB, therefore the termination date is August 2028, and five years in relation to the RCF, therefore the termination date is August 2026. S^{4}Capital Group has pledged the assets of its companies as security for this facility. During the reporting period the RCF remained fully undrawn.

The average interest rate of the outstanding loans amounts to 3.58% (six-month period ending 30 June 2021 1.38%, 12-month period ending 31 December 2021 2.96%). The average effective interest rate for the outstanding loans is 3.58% (six-month period ending 30 June 2021 1.34%, 12-month period ending 31 December 2021 2.93%) and during the period interest expense of £6.6 million (six-month period ending 30 June 2021 £0.8 million, 12-month period ending 31 December 2021 £6.2 million) was recognised.

The facility agreement imposes certain covenants on the Group. The loan agreement states that (subject to certain exceptions) S[4]Capital Group will not provide any other security over its assets and receivables and will ensure that the net debt will not exceed 4.50:1 of the proforma earnings before interest, tax, depreciation, and amortisation, measured at the end of any relevant period of 12 months ending each semi-annual date in a financial year.

During the year S[4]Capital Group complied with the covenants set in the loan agreement.

12. Trade and other payables

	Six months ended 30 June 2022 £000	Six months ended 30 June 2021[7] £000	Year ended 31 Dec 2021 £000
Trade payables	178,876	147,117	204,985
Accruals	71,603	51,962	51,446
Deferred income	56,841	26,892	58,887
Other payables	10,991	-	8,741
Total	**318,311**	**225,971**	**324,059**

13. Cashflow from operations

The following table shows the items included in the cash flows from operations.

	£000	**Six months ended 30 June 2022** £000	£000	Six months ended 30 June 2021[2] £000	£000	Year ended 31 Dec 2021 £000
Cash flows from operating activities						
Loss before income tax		(85,578)		(19,840)		(55,650)
Financial income and expenses		9,604		3,250		12,251
Depreciation and amortisation		36,013		25,960		56,456
Share based compensation		6,880		6,312		13,876
Acquisition and set-up related expenses	69,698		23,615		83,496	
Contingent consideration paid*	(32,331)		(3,402)		(9,985)	
		37,367		20,213		73,511
Loss on the net monetary position		620		-		1,344
Increase in trade and other receivables		40,882		(38,657)		(131,662)
Increase in trade and other payables		(48,121)		19,953		98,370
Cash flows from operations		**(2,333)**		**17,191**		**68,496**

* Contingent consideration tied to employment is deemed remuneration expenses according to IFRS 3.

14. Related party transactions

Details of compensation for key management personnel for the 12 months to 31 December 2021 are disclosed on pages 71 to 91 of the Annual Report and Accounts 2021. Apart from the key management personnel compensation and the interest in S4S Ventures noted below, S[4]Capital Group did not have any other related party transactions during the financial period (2021: nil).

Interest in S4S Ventures

The Group, through its subsidiary S[4]Capital 2 Limited a directly owned subsidiary within the S4 Group ("S4"), together with Stanhope Capital LLP ("Stanhope LLP"), through its subsidiary Portman Square General Partner S.à r.l. ("Stanhope"), subscribed for the initial €6,000 of shares each to incorporate S4S Ventures General Partner S.à r.l. ("GP"), a Luxemburg company. The GP has since established two S4S Ventures funds established in Luxemburg and the US. Transactions pertaining to the fund were immaterial as at the half year.

15. Reconciliation to non-GAAP measures of performance

Management includes non-GAAP measures as they consider these measures to be both useful and necessary. They are used by management for internal performance analyses; the presentation of these measures facilitates comparability with other companies, although management's measures may not be calculated in the same way as similarly titled measures reported by other companies; and these measures are useful in connection with discussions with the investment community.

Six months ended 30 Jun 2022	Reported £000	Amortisation* £000	Acquisition and set-up related expenses** £000	Share based compensation £000	Adjusted[6] £000
Operating profit / (loss)	**(75,354)**	**24,229**	**69,698**	**6,880**	**25,453**
Net finance expenses and loss on monetary position	(10,224)	-	-	-	(10,224)
Profit / (loss) before income tax	**(85,578)**	**24,229**	**69,698**	**6,880**	**15,229**
Income tax expense	3,181	(6,444)	-	-	(3,263)
Profit / (loss) for the period	**(82,397)**	**17,785**	**69,698**	**6,880**	**11,966**

* Amortisation relates to the amortisation of intangible assets identified as part of the purchase price allocation exercise as a result of the acquisitions.
** Acquisition and set-up related expenses relate to acquisition related advisory fees of £3.6 million, contingent consideration as remuneration of £67.8 million and remeasurement gain on contingent considerations of £1.7 million.

Six months ended 30 Jun 2021[2]	Reported £000	Amortisation* £000	Acquisition and set-up related expenses** £000	Share based compensation £000	Adjusted[6] £000
Operating profit / (loss)	**(16,590)**	**17,987**	**23,615**	**6,312**	**31,324**
Net finance expenses	(3,250)	-	-	-	(3,250)
Profit / (loss) before income tax	**(19,840)**	**17,987**	**23,615**	**6,312**	**28,074**
Income tax expense	(3,147)	(6,582)	-	-	(9,729)
Profit / (loss) for the period	**(22,987)**	**11,405**	**23,615**	**6,312**	**18,345**

* Amortisation relates to the amortisation of intangible assets identified as part of the purchase price allocation exercise as a result of the acquisitions.
** Acquisition and set-up related expenses relate to acquisition related advisory fees of £3.6 million, bonuses of £0.3 million and revaluation of contingent considerations of £19.7 million.

Year ended 31 Dec 2021	Reported £000	Amortisation* £000	Acquisition and set-up related expenses** £000	Share based compensation £000	Adjusted[6] £000
Operating profit / (loss)	**(42,055)**	**39,491**	**83,496**	**13,876**	**94,808**
Net finance expenses and loss on monetary position	(13,595)	-	-	-	(13,595)
Profit / (loss) before income tax	**(55,650)**	**39,491**	**83,496**	**13,876**	**81,213**
Income tax expense	(1,065)	(6,941)	(1,426)	-	(9,432)
Profit / (loss) for the period	**(56,715)**	**32,550**	**82,070**	**13,876**	**71,781**

* Amortisation relates to the amortisation of intangible assets identified as part of the purchase price allocation exercise as a result of the acquisitions.
** Acquisition and set-up related expenses relate to acquisition-related advisory fees of £10.5 million, bonuses of £0.8 million, contingent consideration as remuneration of £70.5 million (out of which £10.0 million is cash) and remeasurement loss on contingent considerations of £1.7 million.

Reconciliation to adjusted operational EBITDA	Six months ended 30 June 2022 £000	Six months ended 30 June 2021[2] £000	Year ended 31 Dec 2021 £000
Operating profit / (loss)	(75,354)	(16,590)	(42,055)
Amortisation of intangible assets	24,229	17,987	39,491
Acquisition and set-up related expenses	69,698	23,615	83,496
Share based compensation	6,880	6,312	13,876
Depreciation property, plant and equipment*	4,640	3,023	6,179
Operational EBITDA	**30,093**	**34,347**	**100,987**

* Depreciation property, plant and equipment is exclusive of depreciation on right-of-use assets.

Billings[1]	Six months ended 30 June 2022 £000	Six months ended 30 June 2021 £000	Year ended 31 Dec 2021 £000
Revenue	446,439	279,288	686,601
Pass-through expenses	319,202	268,259	610,249
Billings	**765,641**	**547,547**	**1,296,850**

Adjusted[6] Basic net profit per share	Six months ended 30 June 2022	Six months ended 30 June 2021[2]	Year ended 31 Dec 2021
Weighted average number of shares in issue	567,714,015	544,589,568	551,752,618
Adjusted[6] net profit attributable to equity of owners of the company *(£000)*	11,966	18,345	71,781
Adjusted[6] Basic net earnings per share	**2.1**	**3.4**	**13.0**

As at 30 June 2022 the outstanding number of shares is 556,085,466.

16. Events occurring after the reporting period

Business combinations

- On 01 July 2022, S[4]Capital Plc announced the business combination between MediaMonks and XX Artist, an award-winning Social Media Marketing agency headquartered in Los Angeles who also touts an industry-leading talent social practice, working with over 40 top musicians, actors, artists and public figures on their digital platforms, for a total estimated consideration of £20.1 million for 100% of equity and voting rights. The initial accounting for the business combination has not been completed at the time the interim financial statements were authorised for issue.

Capital reduction

- The Company is in the process of undertaking a reduction of capital to affect the cancellation of: (i) the C ordinary shares resulting from the capitalisation of the sum of £205,717,000 standing to the credit of the Company's merger reserve and; (ii) the entire amount standing to the credit of the Company's share premium account (the "Capital Reduction"), in order to create distributable reserves. The Capital Reduction was approved by shareowners at the Company's Annual General Meeting held on 16 June 2022. As announced on 13 September 2022, the Capital Reduction was approved by the High Court of Justice of England and Wales on 13 September 2022 and is expected to be registered by the Registrar of Companies no later than 28 September 2022, upon which the Capital Reduction will become effective. This will provide the Company with the flexibility to make future purchases of its own shares and/or to make future ordinary course dividends although, at this time, the Board confirms that it has no current plans to do so. The Board continues to review the advisability of declaring a modest dividend in future.

17. Principal risks and uncertainties

The key risks for the Group achieving their objectives remain largely the same as those reported in the Annual Report and Accounts 2021 and can be found on page 33 up to and including page 38. A description of the risks and uncertainties have been included below.

Economic environment
Adverse developments in the global economy or the local economies in the territories where the Group has operations could impact the level of demand for the Group's services

People and leadership
The quality of the services provided by the Group's businesses are fundamentally derived from the quality of the Group's people. The Group's performance could therefore be adversely affected if it is not able to recruit, train and retain key talent in the Group's businesses and at the Group level.

Strategic
The Group's future results of operation and financial performance are partly dependent on the successful implementation of the Group's strategy. The Group's strategy is to build a purely digital multinational advertising and marketing services business, initially by business combinations and long term through robust organic growth.

The Group's strategy envisages that it will continue to grow rapidly. The Group may not have the infrastructure, management time and/or governance structure to be able to grow at the desired speed and/or to fully integrate new businesses into the Group.

The Group has combined with a large number of businesses, which are being integrated into the Group, and the Group's strategy envisages further combinations. The Group's performance could be adversely affected if the combined businesses are not successfully integrated into the Group.

The Group is dependent on relationships with certain third parties with significant market positions, particularly Google Marketing Platform and the rest of the Google advertising ecosystem and an unnamed telecommunications company (subject to a NDA), but also Amazon and Meta.

As part of the Group's strategy, the Directors intend to identify suitable combination opportunities. The Group may not successfully identify and complete, or, if completed, integrate suitable combination opportunities in the future.

The Group conducts due diligence as it deems reasonably practicable and appropriate based on the facts and circumstances applicable to any business combination under consideration. Material facts or circumstances may not be revealed in the due diligence and may surface once the integration starts.

As the Group has been established through combinations, and the Company was only listed on the London Stock Exchange in 2018, the Group's control environment and governance arrangements are relatively in their infancy in comparison to other listed companies, which could negatively impact on the financial position and prospects of the Group.

Google, a key customer to us, recently announced that third-party cookies would be blocked in Chrome by 2023. As a result, in the next 12 months, third-party cookies will become effectively unusable for advertising measurement and many forms of third-party data already challenged by GDPR since May 2018, will cease to exist.

Competitive environment

The digital media and communication services industry is highly competitive. The Group's revenues and/or margins could be reduced if clients are lost to competitors, competition erodes the Group's pricing power or the economic environment results in lower demand for advertising and marketing services of the type which the Group provides. The advertising and marketing services industry is subject to significant and rapid change.

IT and data security

The Group is subject to a number of laws relating to privacy and data protection governing its ability to collect and use personal information. These data protection and privacy-related laws and regulations are becoming increasingly restrictive and complex and may result in greater regulatory oversight and increased levels of enforcement and sanctions. The European Union's General Data Protection Regulation (GDPR) and, the UK version of GDPR, both provide for fines of up to 4% of global turnover to be levied for breaches.

The Group may be vulnerable to hacking, identity theft and fraud.

The intellectual property rights of the Group are important to its business. There is a risk that title to the relevant intellectual property rights has not been properly assigned to the Group. There is a risk that third-party distributors of intellectual property could allege that the Group has not complied with the conditions of a licence.

Financial, regulatory, sanctions and taxation

The Group has exposure to credit risk through the default of a client or other counterparty.

The Group does and expects to continue to generate a significant proportion of its revenue in US dollars and other currencies. There is a risk that any significant movement in foreign exchange rates between Pound Sterling and other currencies in which revenue is generated could have an impact on the Group's results and financial position.

The Group is and will continue to be subject to strict anti-corruption, anti-bribery and anti-trust legislation and enforcement in the countries in which it operates.

The Group may be subject to regulations restricting its activities or effecting changes in taxation.

The Group is and will continue to be subject to the laws of the UK, the US, the EU and other jurisdictions that impose sanctions and regulate the supply of services to certain countries.

Responsibility statement

The directors confirm that these unaudited consolidated interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The maintenance and integrity of the S^4Capital plc website is the responsibility of the directors; the work carried out by the authors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that might have occurred to the interim financial statements since they were initially presented on the website.

The directors of S^4 Capital plc are listed in the S^4 Capital plc annual report for 31 December 2021 (with the exception of the following changes in the period: Mr Peter Rademaker and Mr Peter Kim resigned on 16 June 2022, and Mr Colin Day was appointed on 2 August 2022). A list of current directors is maintained on the S^4 Capital plc website: www.s4capital.com

Signed on behalf of the Board on 21 September 2022

Sir Martin Sorrell
Executive Chairman

Mary Basterfield
Group Chief Financial Officer

Independent review report to S4 Capital plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed S4 Capital plc's condensed consolidated interim financial statements (the "interim financial statements") in the unaudited consolidated interim financial statements of S4 Capital plc for the 6 month period ended 30 June 2022 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the unaudited consolidated interim balance sheet as at 30 June 2022;
- the unaudited consolidated interim statement of profit or loss and unaudited consolidated interim statement of comprehensive income for the period then ended;
- the unaudited consolidated interim statement of cash flows for the period then ended;
- the unaudited consolidated interim statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the unaudited consolidated interim financial statements of S4 Capital plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the unaudited consolidated interim financial statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with this ISRE. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The unaudited consolidated interim financial statements, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the unaudited consolidated interim financial statements in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the unaudited consolidated interim financial statements, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the unaudited consolidated interim financial statements based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
21 September 2022