Navigating the new now

S4Capital plc
Annual Report and Accounts 2024

Navigating the new **now**

S4Capital is a new-age/new-era digital advertising, marketing and technology services company, operating in the fastest-growing segment of the advertising and marketing services market.

We are a unified, purely digital business, which disrupts analogue models by embracing content, data&digital media and technology services.

We work with global, multinational, regional and local clients and for millennial-driven influencer brands in a 24-7 environment.

We are dedicated to reducing global warming through our net zero by 2040 pledge and providing for Monks and their dependents.

Read more at
s4capital.com
monks.com

In this report

Our business

1

Financial highlights

Billings[1] £2.0bn **4.9%** Like-for-like[2] +8.1%	**Pro-forma[3] billings** £2.0bn **8.1%**	**Operating loss** -£302.8m **2023 £20.2m profit**	**Adjusted operating profit**[6] £78.3m **−4.5%** Like-for-like +1.6%
Revenue £848.2m **−16.1%** Like-for-like -13.6%	**Pro-forma revenue** £848.2m **−13.6%**	**Loss before income tax** -£330.9m **2023 -£13.9m**	**Adjusted result before income tax**[7] £50.2m **4.4%**
Net revenue £754.6m **−13.6%** Like-for-like -11.0%	**Pro-forma net revenue** £754.6m **−11.0%**	**Basic loss per share**[9] -45.7p **2023 -2.2p**	**Adjusted basic earnings per share**[9] 5.2p **2023 4.4p**
Operational EBITDA[4,8] £87.8m **−6.3%** Like-for-like -0.6%	**Pro-forma operational EBITDA**[8] £87.8m **−0.6%**	**Market capitalisation at 21 March 2025** £202m	**Share price at 21 March 2025** 33.0p
Operational EBITDA margin[5] 11.6% **+90bps** Like-for-like +120bps	**Pro-forma operational EBITDA margin** 11.6% **+120bps**	**Net debt** £142.9m	**Net debt ratio** 1.6x

For full reconciliation from statutory to non-GAAP measures, please refer to the Alternative Performance Measures Appendix on page 164.

Notes:
1. Billings is gross billings to clients including pass-through costs.
2. Like-for-like relates to 2023 being restated to show the unaudited numbers for the previous year of the existing and acquired businesses consolidated for the same months as in 2024 applying currency rates as used in 2024.
3. Pro-forma numbers relate to unaudited full-year non-statutory and non-GAAP consolidated results in constant currency as if the S4Capital plc Group (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.
4. Operational EBITDA is EBITDA adjusted for acquisition related expenses, non-recurring items (primarily acquisition payments tied to continued employment, amortisation and impairment of business combination intangible assets and restructuring and other one-off expenses) and recurring items (share-based payments), and includes right-of-use assets depreciation. It is a non-GAAP measure management uses to assess the underlying business performance.
5. Operational EBITDA margin is operational EBITDA as a percentage of net revenue.
6. Adjusted operating profit is operating profit/loss adjusted for non-recurring and recurring items (as defined above).
7. Adjusted result before income tax is profit/loss before income tax adjusted for non-recurring and recurring items (as defined above).
8. 2023 Operational EBITDA excludes the one-off benefit of £9.3 million due to the significant devaluation of the Argentinian peso in December 2023.
9. The comparatives as at 31 December 2023 have been restated to account for the recognition of deferred tax balances related to certain business combinations in prior years.

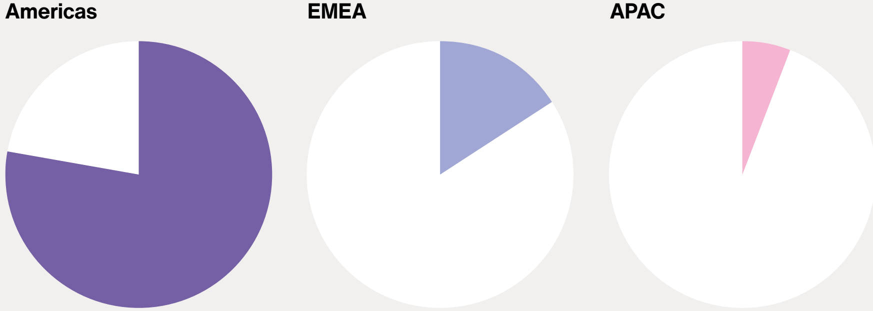
Worldwide presence

We’re **always on**

A global communications business for the new marketing age. Integrated, agile and responsive.

Net revenue by region

Americas	78%
EMEA	16%
APAC	6%

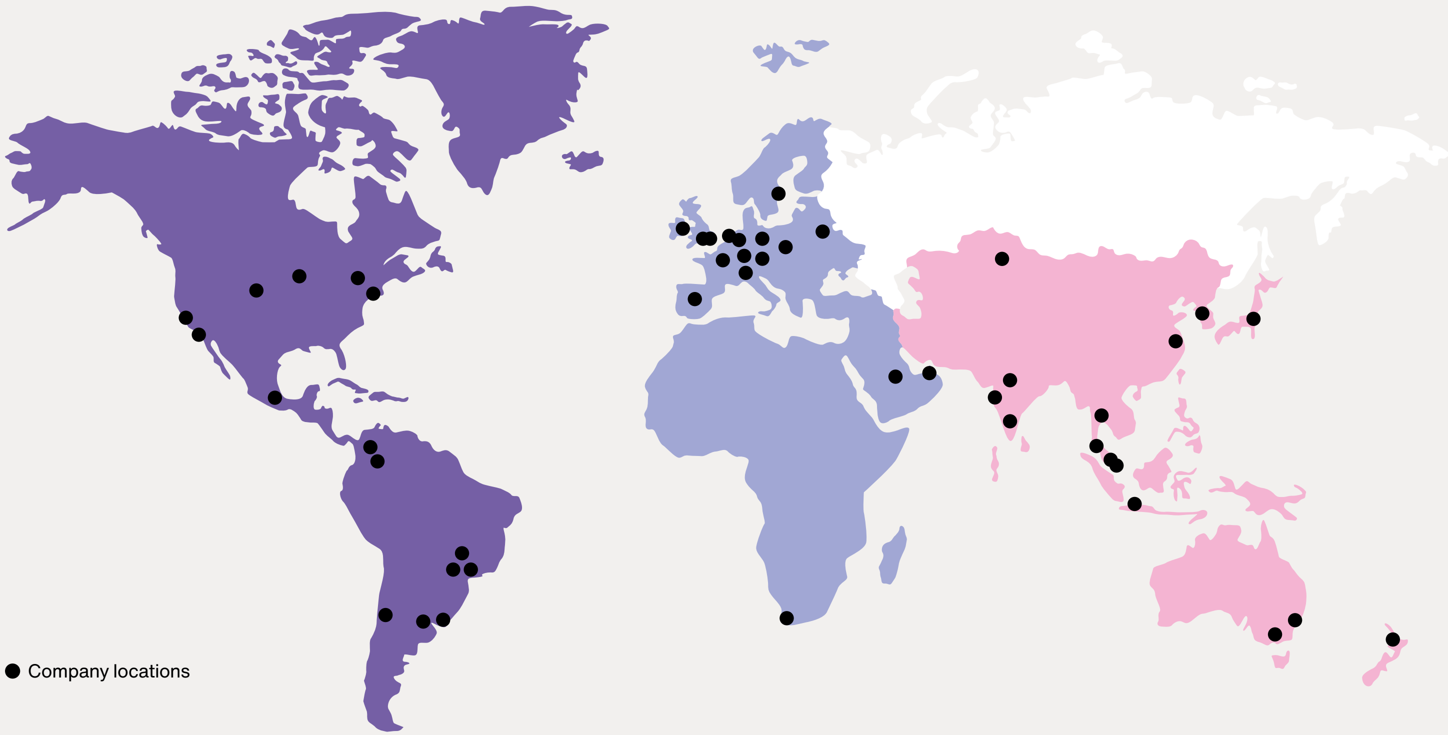


People
7,150

Countries
33

Offices
48

Unitary structure
1



Business model

We orchestrate marketing **to flow**

In an industry that is becoming increasingly complex and outdated, we are a digital first marketing and technology company that disrupts analogue models by accelerating and automating the way work is done.

Client problem

Remove complexity

Marketing organisations are getting clouded in complexity due to the increasing amount of content needed, fragmentation of media channels and increasing disruption of technology solutions, while marketing budgets are under constant pressure.

How we solve this

Orchestration Partner

We orchestrate the fragmented flow of work across tools, agencies and processes to improve speed, quality and ensure brand safety. With a combination of AI workflow and studio tools, we make more of the right work, better, faster, cheaper and more.

Client problem

Increase brand power

With fragmented channels and the need to manage brand communications across social owned and earned and media paid channels, it's harder than ever for brands to stand out and make consistent connections that build brand power.

How we solve this

Real-Time Brands

By integrating our capabilities in brand-building creativity, social media and data we use real time signals across channels to dynamically adapt creativity to improve consumer engagement and therefore brand power.

Client problem

Media and data transparency

Media is the highest proportion of a client's marketing investment – they want to understand where media runs, why, who saw it and what they did as a result. This is harder than it needs to be.

How we solve this

Glass Box Media

Monks is a 100% digital media business, and with significant capability in data and analytics we take a 'glass box' approach to client media strategy and execution. The demands for transparency in the industry will only increase, and we are well placed to benefit from this.

Client problem

Legacy operating and marketing models

Clients need to do their own work better, faster and cheaper, but are beholden to legacy ways of working, and technology debt that they need to improve returns from.

How we solve this

Digital business transformation

Our Technology Services and Consulting capabilities enable transformation in clients via data optimisation and management, tech stack integration, digital consumer experiences and other aspects of harnessing technological innovation.

Our tools

- **One P&L and one operating model**
- **Data, media, content, technology and ESG integrated**
- **Global scale, local relevance, sustainable impact**
- **AI enabled by Monks.Flow**
- **Borderless talent, diverse perspectives**
- **Technology partnerships, investor relationships**

Business model continued

Delivering for our **clients**

Scale and spend
General Motors

As General Motors' Foundational Agency and global Orchestration Partner, we bring simplicity, consistency, scale and cost savings to how content is created through technology (Adobe), automation (AI) and best-in-class digital creative and craft.

> **Monks will "bring a modern approach to real-time, efficient content development" and "a significant change in the way that we're doing business"**

Molly Peck
Chief Transformation Officer, General Motors

Speed and relevance
Hatch

By integrating AI workflows into the creative process for sleep wellness company Hatch, and leveraging Google's AI tool Gemini, we produced personalised ad creative at faster speeds and lower costs than ever before. The entire process was completed in half the time of a standard campaign, thanks to AI-powered marketing and a 97% reduction in costs from legacy approaches. In addition to freeing up massive resources for creatives and marketers to focus on areas where the human touch is more critical, the AI-supported ads outperformed legacy assets, generating 31% better cost per purchase.

Ecommerce and creative optimisation
Diamond Foods

With the rise of ecommerce, Diamond Foods faced new challenges in capturing online sales. To strengthen their presence on Amazon and optimise their direct-to-consumer (DTC) strategy, Diamond Foods partnered with Monks for expert guidance. The results were substantial growth, a game-changing strategy, and recognition as the 2024 AdExchanger Best in Commerce Media Award winner.


Analytics and ROI
Starbucks

Over our years-long partnership with Starbucks, we have helped the brand develop a system that decodes how people interact with its loyalty app and its features – ultimately creating a user experience that nurtures that strong connection with customers. With an AI engine that continuously analyses user reviews across multiple markets, Starbucks can now conduct evidence-based experiments aimed at boosting customer lifetime value and increasing adoption of its native apps across EMEA.

Partnership effectiveness
AWS

The remote broadcast workflow running on our long-term partner's platform allowed us to reduce the number of on-site Monks by 75%, which resulted in avoided carbon emissions related to air and ground travel. The distributed workflow also means that directors, producers, video engineers, audio engineers, replay operators, graphics operators, video editors and even the announcers are able to support the event remotely, often from the comfort of their homes. An added benefit to Monks is the ability to now hire based on talent rather than geography.


Personalisation at scale
Headspace

We developed a modular ad concept that pairs seasonal emotional challenges with specific types of resources available from Headspace, a leading provider of digital resources for mental health and wellness. Using Monks. Flow, we combined ad elements – AI-generated backgrounds, product interface imagery and branded illustrations and iconography – to produce hundreds of assets at scale. Production hours would have quickly racked up in a traditional design process, but with AI-powered image generation and production, we had assets for 20 distinct use cases ready for approval quickly, and overall cut production time by two-thirds. The AI-powered ads converted traffic to signups at a 62% higher rate than the control, getting mental health resources into more people's hands more efficiently.

Strategic Report

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Letter to shareowners

We remain **confident** in our strategy, business model and talent

"Our new go-to-market propositions are resonating strongly with clients"

Sir Martin Sorrell
Executive Chairman

Dear shareowner,

As previously highlighted, trading in the year reflected both continued uncertainty around global macroeconomic conditions, high interest rates and lower marketing spend from technology clients, which account for approximately half of revenue. In addition, there was a reduction in transformation activity in one of our larger Technology Services clients. However, trading in the fourth quarter improved over the first three quarters with stronger like-for-like net revenues, including an increase in Data&Digital Media.

Reported billings were £1,963.0 million up 4.9% and up 8.1% like-for-like, reflecting stronger digital media planning and buying activity. Revenue was down 16.1% on a reported basis to £848.2 million, down 13.6% like-for-like. Reported net revenue declined 13.6%, or 11.0% like-for-like.

Operational EBITDA in the full year reflects improvement in margins in Content and Data&Digital Media, due to actions taken on costs, helped by stronger revenue performance in the fourth quarter, whilst Technology Services' operational EBITDA reflects the anticipated lower revenue. We continue to maintain a disciplined and active approach to cost management, including the number of Monks and discretionary costs. The number of Monks at the end of the year was around 7,150 down 7.0% from over 7,700 at this time last year.

The Group currently reports in three practices. We have rebranded to Monks and are now streamlining all our current capabilities into two practices: Marketing Services and Technology Services. We plan to initiate reporting structures for this new services model during 2025.

Content's net revenue declined in the year reflecting ongoing caution and lower activity with some of our larger technology clients. However, the year-on-year trend improved in the fourth quarter. Content's operational EBITDA improved to £48.7 million (2023: £38.9 million), up 30.6% like-for-like and on a reported basis up 25.2% versus 2023, due to the action taken on costs. Content's operational EBITDA margin improved 290 basis points like-for-like and reported 280 basis points compared to 7.4% in 2023.

Data&Digital Media performed as expected in the year, managing its costs well to match activity levels. Net revenue grew in the fourth quarter. Operational EBITDA improved to £46.0 million (2023: £33.5 million), up 43.3% like-for-like and up 37.3% versus 2023 on a reported basis. Operational EBITDA margin of 23.9% improved 780 basis points like-for-like and reported 770 basis points, compared to 16.2% in 2023, due to strong action on costs.

Technology Services performance was impacted by the anticipated lower revenue from one key client, as well as longer sales cycles for new business reflecting the challenging ongoing macroeconomic conditions and high interest rates. Reported operational EBITDA was down significantly to £11.5 million (2023: £43.4 million) and operational EBITDA margin was 13.3%, compared to 31.7% in 2023 due to the lower revenues.

On a like-for-like basis, the Americas net revenue was down 11.8%, but with strong growth in Latin America and now accounts for 78% of the Group's net revenue. EMEA, accounting for 16%, was down 5.4%, with growth in the UK & Ireland. Asia Pacific (APAC), accounting for the remaining 6% was down 13.4%, affected by Australia and Singapore.

Letter to shareowners continued

Reported Americas net revenue was £587.9 million, down 14.6%, EMEA net revenue was £123.4 million, down 7.3% and Asia Pacific was £43.3 million, down 16.7%.

The Group has taken a non-cash impairment charge net of tax of £280.4 million reflecting trading conditions in the second half of 2024 and the medium-term outlook following the completion of our budget and three year planning process. The amount is included in adjusting items after tax.

We are seeing our AI initiatives improve visualisation and copywriting productivity, deliver considerably more effective and economic hyper-personalisation (better targeted content at greater scale), delivering more automated and integrated media planning and buying, improving general client and agency efficiency and democratisation of knowledge. Monks.Flow is our AI product solution that automates marketing workflows and we are continuing to add applications and expand its capabilities. Our end-to-end suite of Monks.Flow products orchestrates and helps enable our clients to more easily implement AI solutions, particularly in visualisation and copywriting, in hyper-personalisation at scale, in real time focus groups and linking media planning and buying.

We are seeing significant opportunities for new business, particularly driven by our AI tools and capability. New business wins in the year include General Motors, as their foundational agency, Qiddiya, Marriott, Burger King, Panasonic, FanDuel, AliExpress, Decathlon, Santander, SC Johnson, ICBC, Asana, CashApp, Shopify, Coursera and Singapore Sports Hub. We are also winning multiple exploratory assignments, as clients experiment and explore AI applications and develop AI use cases. AI capability is becoming more central to the agency's way of working and new business efforts. In this regard the Group's early adoption of AI and proactive approach to staff training on AI is beginning to pay off.

Our three new Go-To-Market propositions, Orchestration Partner, Real-Time Brands and Glass Box Media are all starting to resonate strongly with clients. These are built around hyper-personalisation at scale, social media, brand strategy and transparent media buying and planning.

Environmental, Social and Governance (ESG) strategy

We remain committed to the pillars of our ESG strategy: people fulfilment, our responsibility to the world and one brand. We continue to focus on improving our external reporting, our reporting tools and governance to help us move towards increased transparency and effective reporting and to comply with future global regulatory requirements.

Across the Group, we support community and charity services through donation of hours and we've grown our total For Good projects to help create a positive impact alongside our commercial clients. We remain focused on our people and their experiences through our robust suite of programmes that enhance connection and development across the organisation. Cultivating a deeper understanding of cultural fluency remains a top priority as we continue to foster an inclusive environment.

We continue to enjoy our B Corp status. This certification recognises our achievements in governance and accountability, environmental performance, social impact and DE&I, that we are accountable to all stakeholders, not just shareowners and that we are transparent in our reporting.

Summary and outlook

For the Group as a whole, given the wider market uncertainty and the priority shown by technology clients to AI-related capital expenditure rather than operational expenditure, such as marketing, we target net revenue and operational EBITDA to be broadly similar to 2024. We will continue to focus on our cost base and will take further action to support profitability. We expect the comparatives for the first quarter to continue to be difficult, in part due to the residual effect of the reduction in revenue from one key client in Technology Services. We expect an improved performance in the second half of the year, aided by the phasing of revenue from new business.

Our targeted range for the year end net debt is £100 million to £140 million. We target medium term financial leverage at the lower end of our previous range of around 1.5 times operational EBITDA. Over the longer term we continue to expect our growth to outperform our markets and operational EBITDA margins to return to historic levels of around 20%.

The strategy of S4Capital remains the same. The Group's unitary, purely digital transformation model, based on first-party data fuelling the creation, production and distribution of digital advertising content, distributed by digital media and built on technology platforms to ensure success and efficiency, resonates with clients.

We continue to streamline and integrate our businesses, we have rebranded to Monks and are focusing all our current capabilities into two Practices: Marketing Services and Technology Services. Our tagline 'faster, better, cheaper and more' or 'speed, quality, value and more' and a unitary structure both appeal strongly, even more so in challenging economic times.

Progress against our strategy

Clients

Objectives

- Build scaled relationships with enterprise clients. 20x20 goal: 20 clients with $20 million annual revenues ('whoppers')
- Maintain strong partnerships with Technology clients

2024 progress

- Integrated client and growth leadership across whole Group
- Retained nine 'whopper' clients
- Largest client win in Monks history
- Industry-leading AI case studies and awards
- 45% revenue from Technology clients (2023: 43%)

2025 goals

- Further penetration of existing clients
- Develop more 'whoppers'
- Strong new business performance
- Broaden client industry sector exposure
- Deliver market-leading AI case studies
- Increase purpose-driven clients

Measurement

- Number of 'whoppers'
- % revenue by industry sector

Read more on page 6

Revenue growth

Objective

- Outpace the growth of the addressable digital markets

2024 progress

- Net revenue declined 11.0% on a like-for-like basis

2025 goals

- Achieve 2025 like-for-like growth target in line with guidance

Measurement

- Broadly similar net revenue

Read more on pages 13 to 18

Margin

Objective

- Improve margin, long-term target of around 20% operational EBITDA margin

2024 progress

- Operational EBITDA margin up 120bps on a like-for-like basis
- Reduction in headcount and operational costs

2025 goals

- Achieve 2025 operational EBITDA margin target
- Improve productivity (utilisation and billability)

Measurement

- Operational EBITDA margin
- Utilisation and billability rates

Read more on pages 13 to 18

Net debt

Objective

- Achieve net debt target of 1.5 times operational EBITDA

2024 progress

- Reduced net debt from £180.8 million (1.9x operational EBITDA) to £142.9 million (1.6x operational EBITDA)

2025 goals

- Achieve 2025 net debt target

Measurement

- Net debt/pro-forma operational EBITDA ratio

Read more on pages 13 to 18

Progress against our strategy continued

People

Objective
- Attract, retain and develop the best talent in the industry

2024 progress
- Controlled headcount in alignment with revenue and operational EBITDA across all three practices
- Increased utilisation of Workday to implement talent management
- Successfully deployed Accelerate. Monks middle management programme, reaching over 800 applicants globally
- Successfully launched the What's Happening Now podcast, Motif and Executive Leadership team meetings

2025 goals
- Integrate merit and bonus cycle process and implementation across Marketing Service and Technology Services via Workday
- Ongoing adoption of growth conversation model in Workday
- Expand the impact and alignment of training to key business priorities inclusive of AI tooling.

Measurement
- Growth conversations and merit cycle

Read more on pages 39 to 42

Culture

Objective
- Build a diverse culture and increase diverse representation

2024 progress
- Ran our fourth S4 Women in Leadership programme at Berkeley University
- Recruited five Fellows for S4 Fellowship programme
- Continued the democratisation of culture through decentralising DE&I impacts and empowering country HR teams to execute in partnership with interested employees

2025 goals
- Expand the reach of culture through localised initiatives
- Host fifth cohort of S4 Women in Leadership
- Recruit sixth cohort of S4 Fellowship

Measurement
- Successful continuation of flagship S4 programming and one global cultural initiative

Read more on pages 39 to 42

Sustainability

Objective
- Net zero by 2040 (The Climate Pledge)

2024 progress
- Continued on our path towards net zero by 2040
- SBTi targets formally approved in 2024
- Global B Corp certification received in 2024
- Double Materiality Assessment undertaken in preparation for Corporate Sustainability Reporting Directive (CSRD)
- Improved EcoVadis score

2025 goals
- Formalise and execute SBTi transition plan on emission reduction targets to be net zero by 2040
- Continue to make good progress on sustainable procurement measures and policies

Measurement
- Carbon output reduction in line with our SBTi transition plan
- Increase purpose-driven clients and For Good projects
- Increase use of renewable energy
- Third party accreditation such as EcoVadis, B Corp

Read more on pages 26 to 56

Integration

Objective
- Unitary structure

2024 progress
- Simplified structure, merging Content and Data&Digital Media practices under single leadership team
- Unified client and growth teams
- Released integrated Go To Market propositions to drive growth
- Improved system integration, data quality and connectivity
- Kicked off single global ERP system implementation

2025 goals
- Further collaboration between practices for existing and new clients
- Continued progress with implementation of single ERP system
- Continued focus on optimising the real estate portfolio

Measurement
- % of cross-practice clients

Read more on page 92

Measuring success: Key Performance Indicators

The Group uses a variety of Key Performance Indicators (KPIs) to monitor both financial and non-financial performance. Where applicable, KPIs are based on alternative performance measures[1] to give a consistent year-on-year comparison.

Financial

Like-for-like net revenue £m

£754.6m

Like-for-like -11.0%

This is more closely aligned to the fees the Group earns for its services provided to the clients. This is a key metric used in business when looking at both Group and practice performance.

Like-for-like operational EBITDA £m

£87.8m

Like-for-like -0.6%

Operational EBITDA is operating profit before the impact of adjusting items, amortisation of intangible assets and property, plant and equipment depreciation. The Group considers this to be an important measure of Group performance and is consistent with how the Group is assessed by the Board and investment community.

Like-for-like operational EBITDA margin

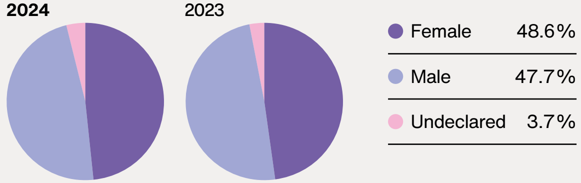
11.6%

Like-for-like +120bps

Operational EBITDA margin is operating profit before the impact of adjusting items, amortisation of intangible assets and property, plant and equipment depreciation, as a percentage of net revenue.

Non-financial

Diversity, equity and inclusion



Gender ratios across the Group as at 31 December 2024 and 2023. For further detail on diversity, equity, inclusion, gender equality and gender pay gap equality see pages 39 to 42.

Carbon intensity (tCO2e) per employee

2.8 tCO2e

2023: 3.3 tCO2e

Greenhouse gas emissions for the Group, 2024 vs 2023. For further information see page 33.

Integration

32

out of 34 combinations fully integrated to date

Note:

1. Further detail on alternative performance measures can be found in the Appendix to the Annual Report and Accounts on page 164.

Financial review

In a challenging year we have displayed **resilience**

"Alongside reinvigorating topline growth we have focused on tight management of costs, working capital and cash, resulting in improved margins and lower net debt"

Mary Basterfield
Group Chief Financial Officer

Billings
£1,963.0m
4.9%
Like-for-like[1] 8.1%

Revenue
£848.2m
−16.1%
Like-for-like −13.6%

Net revenue
£754.6m
−13.6%
Like-for-like −11.0%

Operational EBITDA
£87.8m
−6.3%
Like-for-like −0.6%

Operational EBITDA margin
11.6%
+90 basis points
Like-for-like +120 basis points

Adjusted operating profit
£78.3m
−4.5%
Like-for-like +1.6%

Operating loss
−£302.8m
2023 £20.2m profit

Note:
1. Like-for-like is a non-GAAP measure and relates to 2023 being restated to show the unaudited numbers for the previous year of the existing and acquired businesses consolidated for the same months as in 2024 applying currency rates as used in 2024.

Financial review continued

Introduction

2024 saw challenges in our net revenue performance, however, in addition to the top line we focused on tight management of costs, aligning headcount more closely with activity levels and working capital management and cash, resulting in improved margins and lower net debt. We have continued our finance transformation and are making good progress with the roll out of our global finance system, combining legal entities and integrating the finance team.

Alternative performance measures

Management includes non-GAAP measures in reporting 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 managements' measures may not be calculated in the same way as similarly titled measures reported by other companies; and these 'alternative performance measures' are useful in connection with discussions with the investment community.

The Group uses alternative performance measures as we believe these measures provide additional useful information on the underlying trend, performance and position of the Group. These underlying measures are used by the Group for internal performance analyses, and credit facility covenants calculations. The alternative performance measures include 'adjusted operating profit', 'adjusting items', 'adjusted operational EBITDA' and 'EBITDA' (earnings before interest, tax, depreciation). The terms 'adjusted operating profit', 'adjusting items', 'adjusted operational EBITDA' and 'EBITDA' are not defined terms under IFRS and may therefore not be comparable with similarly titled profit measures reported by other companies. The measures are not intended to be a substitute for, or superior to, GAAP measures. A full list of alternative performance measures and non-IFRS measures together with reconciliations to IFRS measures are set out in the Appendix to the Annual Report and Accounts on page 164.

Financial summary

Reported billings[1] were £1,963.0 million, up 4.9% and up 8.1% like-for-like[2] and pro-forma[3], reflecting stronger digital media planning and buying activity. Controlled billings[4], that is billings we influenced, were approximately £5,217.6 million (2023: £5,022.8 million).

Reported revenue was £848.2 million, down 16.1% from £1,011.5 million and down 13.6% like-for-like.

Reported net revenue was £754.6 million, down 13.6% and down 11.0% like-for-like.

Reported operational earnings before interest, taxes, depreciation and amortisation (operational EBITDA) was £87.8 million compared to £93.7 million in the prior year, down 6.3% on a reported basis and down 0.6% like-for-like. We have continued to maintain a disciplined and active approach to cost management, including headcount and discretionary costs.

These controls have resulted in the number of Monks at the end of the year being around 7,150, down 7.0% from 7,700 at this time last year and down 5.1% on the June 2024 figure.

Notes:
1. Billings is gross billings to clients including pass-through costs.
2. Like-for-like is a non-GAAP measure and relates to 2023 being restated to show the unaudited numbers for the previous year of the existing and acquired businesses consolidated for the same months as in 2024 applying currency rates as used in 2024.
3. Pro-forma numbers relate to unaudited full year non-statutory and non-GAAP consolidated results in constant currency as if the Group had existed in full for the year and have been prepared under comparable GAAP with no consolidation eliminations in the pre-acquisition period.
4. Controlled billings is billings we influenced in addition to billings that flowed through the consolidated statement of profit or loss.
5. The comparatives as at 31 December 2023 and 31 December 2022 have been restated to account for the recognition of deferred tax balances related to certain business combinations in prior years.

Financial review continued

Operational EBITDA margin was 11.6%, up 90 basis points versus 10.7% in 2023 and up 120 basis points like-for-like with improved profitability in Content and Data&Digital Media and lower central costs, although these were partly offset by the anticipated reduction in delivery from Technology Services. Our ambition remains to return full year margins to historic levels, around 20%, over the longer term.

Reported adjusted operating profit was down 4.5% to £78.3 million from £82.0 million, before adjusting items of £381.1 million (2023: £61.3 million), including £18.8 million of restructuring costs, a similar level to 2023. The increase in adjusting items is largely due to the non-cash impairment charge taken in the year. Adjusting items also includes amortisation of business combination intangible assets, restructuring, primarily related to headcount reductions, contingent consideration, share-based payments and lease impairment charges relating to property rationalisation.

The Group has completed its annual budget and three-year planning process, which has been used for the annual impairment review. The Group has taken a non-cash impairment charge net of tax of £280.4 million, with £196.5 million in Content and £83.9 million in Technology Services, reflecting trading conditions in the second half of 2024 and the subsequent medium-term outlook following the completion of our budget and three year planning process. This is included in adjusting items. No impairment was recognised in the year for Data&Digital Media, however there was minimal headroom in the impairment modelling. More detail on the impairment review can be found in Note 10 of the financial statements.

The reported operating loss was £302.8 million versus a profit of £20.2 million in 2023, primarily reflecting an increase in adjusting items with the non-cash impairment charge. Loss for the year was £306.9 million (2023: £14.3 million[5]).

Adjusted basic earnings per share was 5.2p, versus adjusted basic earnings per share of 4.4p[5] in 2023, up 18.2%. Basic loss per share was 45.7p (2023: 2.2p[5]).

Billings £m

Revenue £m

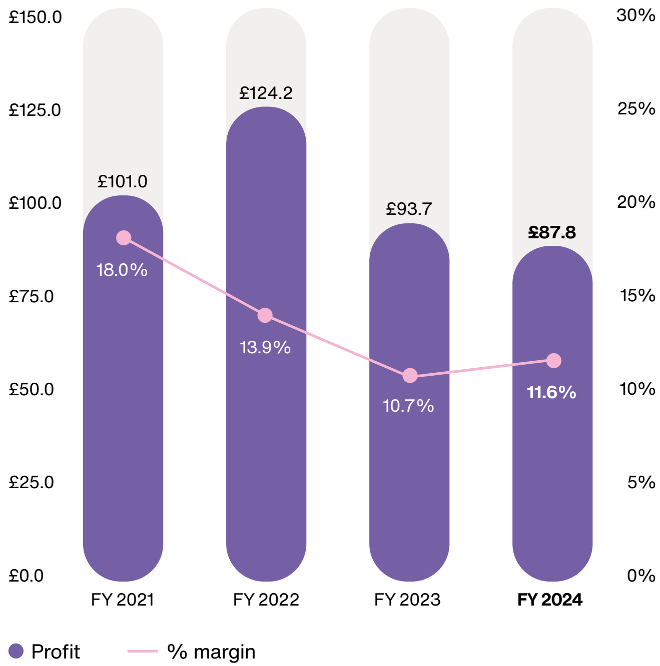
Net revenue £m

Operational EBITDA £m

Operational EBITDA margin %

Adjusted operating profit £m

Operational EBITDA and margin £m/%



Financial review continued

Practice performance

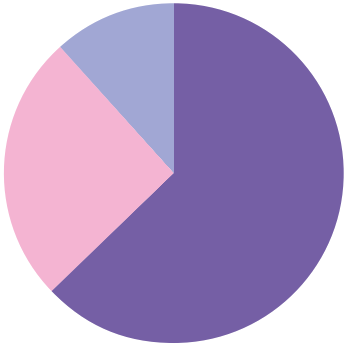
Content practice's reported net revenue was down 10.1% and down 7.4% like-for-like and reported operational EBITDA was £48.7 million, up 25.2% versus 2023 and up 30.6% like-for-like. Content practice's operational EBITDA margin improved to 10.2%, compared to 7.4% in 2023, despite the lower revenue, reflecting a reduction in the number of Monks and other cost savings as compared to 2023. We continue to focus on integration and improving the operating model for Content.

Data&Digital Media practice's reported net revenue was down 7.2% and down 3.7% like-for-like and reported operational EBITDA was £46.0 million, up 37.3% from the last year and up 43.3% like-for-like. Data&Digital Media practice's operational EBITDA margin was 23.9%, compared to 16.2%, due to tight cost management in 2024 and cost reduction actions taken in the latter months of 2023.

Technology Services practice's reported net revenue was down 36.7% and down 35.3% like-for-like. Reported operational EBITDA of £11.5 million was down 73.5% from the prior year, down 71.8% like-for-like and delivered an operational EBITDA margin of 13.3% compared to 31.7% in 2023. This primarily relates to the reduction in transformation revenue from one large client, as well as longer sales cycles for new business. Operational EBITDA was significantly impacted by the reduction in revenue and, given the scale of the reduction in revenue, this has impacted margin.

Reported central costs of £18.4 million were down 16.7% due to tight cost control.

Net revenue split by practice %



Content	63.0%
DDM	25.5%
TS	11.5%

Performance by practice

	2024 £m	2023 £m	Lfl YOY
Net revenue	754.6	**873.2**	(11.0%)
Content	475.5	528.9	(7.4%)
Data&Digital Media	192.4	207.3	(3.7%)
Technology Services	86.7	137.0	(35.3%)
Operational EBITDA	87.8	**93.7**	(0.6%)
Content	48.7	38.9	30.6%
Data&Digital Media	46.0	33.5	43.3%
Technology Services	11.5	43.4	(71.8%)
Central	(18.4)	(22.1)	(16.0%)
Operational EBITDA margin	11.6%	**10.7%**	120bps
Content	10.2%	7.4%	290bps
Data&Digital Media	23.9%	16.2%	780bps
Technology Services	13.3%	31.7%	(1,710bps)

Financial review continued

Geographic performance

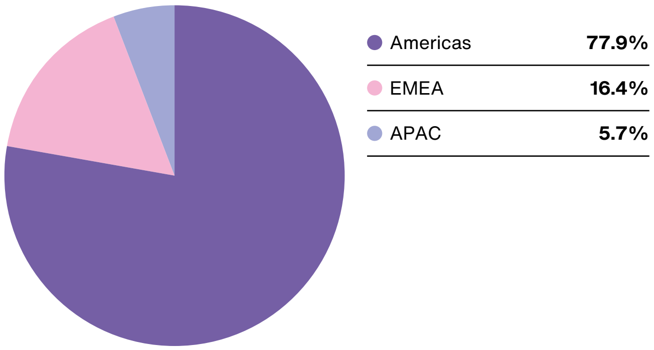
The Americas reported net revenue was £587.9 million (78% of total), down 14.6% from last year. Like-for-like, the Americas net revenue was down 11.8%, reflecting lower revenue from one large Technology Services client and continuing client caution particularly with our technology clients. We saw strong growth in Latin America, reflecting success with our local business.

EMEA reported net revenue was £123.4 million (16% of total), down 7.3% from last year. Like-for-like, EMEA net revenue was down 5.4%, strengthened by the UK's performance, but primarily reflecting slower growth and client caution.

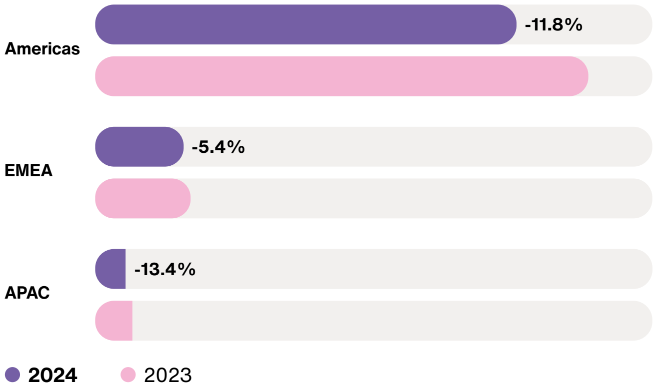
APAC reported net revenue was £43.3 million (6% of total), down 16.7%. Like-for-like APAC net revenue was down 13.4%, affected by Australia and Singapore, but also reflecting client caution and local market conditions.

> **"Free cash flow for 2024 was £37.8 million, an increase of £24.0 million compared to 2023"**

Net revenue split by region %



Net revenue growth by region, like-for-like %



Cash flow

	Year ending 31 December 2024 £m	Year ending 31 December 2023 £m
Operational EBITDA	87.8	93.7
Capital expenditure[1]	(7.5)	(10.2)
Interest and facility fees paid	(29.1)	(26.7)
Interest received	2.1	–
Income tax paid	(9.0)	(20.5)
Restructuring and other one-off expenses paid	(21.1)	(20.8)
Change in working capital[2]	14.6	(1.7)
Free cash flow	**37.8**	**13.8**
Mergers & Acquisitions	(9.9)	(80.8)
Other[3]	10.0	(3.6)
Movement in net debt	**37.9**	**(70.6)**
Opening net debt	**(180.8)**	**(110.2)**
Net debt	**(142.9)**	**(180.8)**

Notes:

1. Includes purchase of intangible assets, purchase of property, plant and equipment and security deposits.
2. Working capital primarily includes movement on receivables, payables, principal elements of lease payments and depreciation of right-of-use assets.
3. Other includes foreign exchange, hyperinflation impacts and share buy-backs.

Free cash flow for 2024 was £37.8 million, an improvement of £24.0 million compared to 2023, with a working capital inflow and lower cash tax paid, partially offset by modestly increased cash interest costs. Cash paid in relation to business combinations (M&A) decreased £70.9 million versus the prior year to £9.9 million, as we materially completed payments for prior year combinations early in the year.

Financial review continued

Treasury and net debt

The year end net debt was £142.9 million (2023: £180.8 million) or 1.6x net debt/pro-forma operational EBITDA. During the year S^4Capital Group (as defined in its facilities agreement) complied with the covenants set in that agreement, that S^4Capital Group will ensure that the net debt will not exceed 4.5:1 of the pro-forma 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, as defined in the facility agreement. The pro-forma operational EBITDA for the year was £87.8 million. As at 31 December 2024, the net debt/pro-forma EBITDA, as defined by the facilities agreement, was 1.7x.

The balance sheet has sufficient liquidity and long dated debt maturities. The duration of the 2021 facilities agreement is seven years in relation to the Term Loan B, therefore the termination date is August 2028 and five years in relation to the RCF, therefore the termination date was August 2026. Post year end, £80 million of the RCF facility has been extended to February 2028, with all four relationship banks extending on the same terms, with the remaining £20 million terminating in August 2026. The RCF remains undrawn as at 31 December 2024.

Net debt reconciliation

	2024 £m	2023 £m
Cash and bank	168.4	145.7
Loans	(311.3)	(326.5)
Net debt	**(142.9)**	**(180.8)**
Lease liabilities	(42.5)	(49.0)
Net debt including lease liabilities	**(185.4)**	**(229.8)**

Interest and tax

Consolidated statement of profit or loss net financing costs were £26.4 million (2023: £35.4 million), a decrease of £9.0 million due to favourable exchange rates in the year. The profit or loss tax credit for the year was £24.0 million (2023[5]: £0.4 million expense).

Balance sheet

Overall the Group reported net assets of £577.5 million as at 31 December 2024, which is a decrease of £314.4 million compared to 31 December 2023[5], driven mainly by the impairment to goodwill and intangible assets recognised during the year.

Acquisitions

There were no material acquisitions completed during 2024.

Outlook/guidance

We expect clients to remain cautious in the near term, as there are increasing concerns about macro uncertainty and the impact of tariffs. Technology clients continue to focus spending on AI-related capital expenditure, rather than operating expenditure, such as marketing. However, in Technology Services we expect the growth headwind from one key client to continue in the first half with an improving trajectory in the second half supported by new business.

For the Group as a whole, we are targeting both net revenue and operational EBITDA to be broadly similar to 2024. We expect the comparatives for the first quarter to continue to be difficult, in part due to the residual effect of the reduction in revenue from one key client in Technology Services. We expect an improved performance in the second half of the year, aided by the phasing of revenue from new business.

Our net debt is expected to continue to reduce in 2025 reflecting positive free cash flow, which in 2024 was £37.8 million. Our targeted range for the year end is £100 million to £140 million. We now aim for financial leverage over the medium term of around 1.5 times net debt to operational EBITDA, which is the lower end of our previous target range. As a measure of confidence in the future the Board is proposing to pay a dividend of 1p per share.

Over the longer term we continue to expect our growth to outperform our markets and operational EBITDA margins to return to historic levels of around 20%.

Principal risks and uncertainties

We believe that effective risk management is important to support the financial strength and resilience of the Group and for delivering its business strategy.

As part of the Group's strategy to enhance its resilience and seek to deliver long-term growth, the Head of Risks created an Enterprise Risk Management (ERM) framework in 2023, which has been adopted at a Group level, and is used across the global organisation. The framework is used to inform the Board of the key risks, using both a 'top down' and 'bottom up' approach to provide a holistic view of the key operational, financial, commercial and strategic risks facing the business.

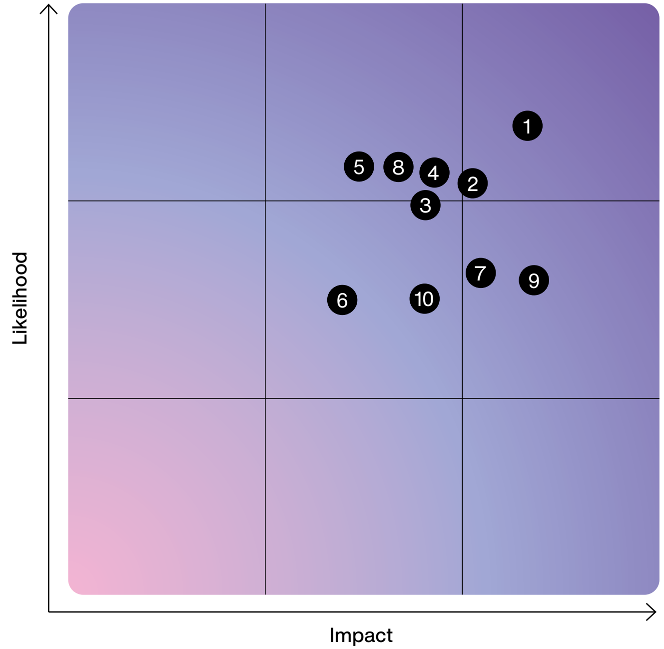
The Board has ultimate responsibility for the Group's approach to risk management and internal control. On behalf of the Board, the Audit and Risk Committee oversees risk management for the Group. Both the Audit and Risk Committee and Board have reviewed and approved the Group's principal risks. In addition, each principal risk has a senior leader owning it, who is also responsible for documenting the corresponding risk response plan, which is submitted to the Head of Risks for review and monitoring.

Risks

The principal risks and uncertainties that the Board believes could have a significant impact on the Group are set out on pages 20 to 22. Other, less material risks (including emerging risks) are monitored by the Head of Risks and discussed at the Audit and Risk Committee or other appropriate internal forums.

Risk description

1. Macroeconomic and geopolitical headwinds could result in existing clients reducing spend and potentially limiting new business opportunities.
2. Limits to market visibility and changing client budgets, combined with a complex internal budgeting and forecasting process, may create volatility in forecasts and results, which with a complicated data landscape, could lead to internal inefficiencies and slow down operational decision making.
3. If there is inadequate management of the talent lifecycle, from succession planning for key roles, through to personnel development, or below market salaries, this could result in talent gaps, high staff turnover or loss of key talent.
4. If the Group's governance, compliance and ESG structure and processes are not robust, this could impact compliance with Corporate Governance regulations or best practice, or not meet client and investor requirements and expectations.
5. Artificial Intelligence (AI) is a disruptive technology that can impact the standard commercial models in our industry, as well as scale up and down the need for specific teams and talent in the business. AI is also considered to be a business opportunity as well as a risk, as the Group considers AI to have considerable upsides to its commercial offering and support processes.
6. If the integration journey to further simplify our structure with clearer mandates, greater collaboration, efficiencies and unification is not completed in a timely manner, this could constrain sustainable and profitable growth.
7. Concentration of clients and suppliers in certain sectors creates a risk of material financial disruption if there is a sudden relationship breakdown or contract loss, or more stringent regulation in certain sectors.
8. Risk of share price volatility if investors' expectations are not met through consistent and clear corporate messaging.
9. If there are insufficient controls over Information Security or Data Privacy, there is a risk of a security breach, non-compliance with client contracts, or regulatory breach.
10. Increased competitive offerings and low barriers to entry in the industry may impede new business opportunities or erode margins.



The key changes and movements in the risks since the prior year have been as follows:

Risk 1 (Macroeconomic headwinds): The risk wording was updated to include geopolitics as a trigger of the macroeconomic risk materialising. This was to recognise the potential disruption to the global Group from the high number of global and regional hostilities and potential conflicts that could interrupt economic activity.

Risk 4 (Governance and compliance): The risk is deemed to have fallen in likelihood given the work performed internally on the global roll-out of new policies and training programmes across a multitude of compliance and governance areas.

Principal risks and uncertainties continued

Risk 5 (Artificial intelligence): The commercial risks associated with the widespread increasing adoption of AI by both competitors and clients creates an enhanced risk of disruption to the execution of the Monks strategy, although the focus continues to be on the considerable opportunities and upsides of the Group's early and market-leading adoption of AI technologies.

Risk 6 (Business transformation): Following the announcement in the middle of 2024 of the Group's move from three practices to two under new branding, the integration risk has been reassessed and updated to reflect the evolution away from integration of acquisitions, to transforming and streamlining the business under the unification process.

Risk 7 (Client concentration): Revenue continues to be concentrated in the Group's largest clients, and the upweighting of the risk reflects the potential effect on the Group's performance if there is a sudden loss of a key client. The wording of the risk has also been updated to reflect regulatory challenges some clients may face, such as advertising restrictions in some sectors.

Risk	Description	Risk response	Risk trend
1. Macroeconomic headwinds			
	Macroeconomic and geopolitical headwinds could result in existing clients reducing spend and potentially limiting new business opportunities.	• Strengthening the go-to-market proposition to increase the pipeline of potential 'Whopper' and 'Whoppertunity' clients. • Continuing to widen the Group's client and geographical mix to increase contribution of diverse regions and sectors beyond technology. • Business transformation programme to improve profitability, enhance delivery and increase accountability. • Improved planning processes for all 'Whopper' and 'Whoppertunity' clients.	↔
2. Operational decision making and internal efficiencies			
	Limits to market visibility and changing client budgets, combined with a complex internal budgeting and forecasting process, may create volatility in forecasts and results, which with a complicated data landscape, could lead to internal inefficiencies and slow down operational decision making.	• More detailed analysis being performed of addressable markets, as well as more discussion of Go-To-Market propositions as part of monthly performance reviews • Updated internal controls being rolled out to ensure consistent forecasting practices across the Group. • Enhanced billability and utilisation reporting being adopted across the Group. • Formalised accountabilities for delivery between relevant client, growth and operations teams through regular performance reviews.	↔
3. Talent lifecycle			
	If there is inadequate management of the talent lifecycle, from succession planning for key roles, through to personnel development, or below market salaries, this could result in talent gaps, high staff turnover or loss of key talent.	• Single HR platform rolled out to better manage employee performance and administration. • Board and practice CEOs making final decisions on organisational structures and ensuring appropriate budgeting matches for pay and performance. • Review of incentive schemes to retain key talent. • Increased DE&I forums and mental health support for employees.	↔

Principal risks and uncertainties continued

Risk	Description	Risk response	Risk trend
4. Governance and compliance			
	If the Group's governance, compliance and ESG structure and processes are not robust, this could impact compliance with Corporate Governance regulations or best practice, or not meet client and investor requirements and expectations.	▪ Compliance framework has been updated with a more formalised annual training schedule to be rolled out for all staff. ▪ Updated minimum control set being established to comply with the updated Corporate Governance Code and formalise the link between risks and controls. ▪ ESG SteerCo established to meet regulatory requirements and create formalised accountabilities for delivery of agenda. ▪ Annual policy reviews formalised with appropriate oversight and review on an annual basis for key policies. ▪ A Governance Framework has been established and is being rolled out to strengthen the Group in meeting its obligations.	↔
5. Artificial intelligence (AI)			
	Artificial Intelligence is a disruptive technology that can impact the standard commercial models in our industry, as well as scale up and down the need for specific teams and talent in the business. AI is also considered to be a business opportunity as well as a risk, as the Group considers AI to have considerable upsides to its commercial offering and support processes.	▪ Investment in flagship Monks.Flow product that aligns marketers with AI and is being rolled out with new and existing clients. ▪ Weekly calls on the use of AI across all teams and functions of the business to embed its use on workflow and showcase successes. ▪ Ongoing training and enablement programmes on use of AI. ▪ Continuing to forge strong relationships with key technology companies on utilisation and execution of AI tools.	↑
6. Business transformation			
	If the integration journey to further simplify our structure with clearer mandates, greater collaboration, efficiencies and unification is not completed in a timely manner, this could constrain sustainable and profitable growth.	▪ One Monks Integration Program to streamline the organisation to create greater accountabilities. ▪ Creating a single set of rules and categories under a single platform to track utilisation and billability, and support better margin management and resource allocation. ▪ Rationalising the number of tools for improved efficiency and consistency of business information and data. ▪ Establishing new business processes to improve pricing strategies and have an improved view of margins.	↔

Principal risks and uncertainties continued

Risk	Description	Risk response	Risk trend
7. Key customers			
	Concentration of clients and suppliers in certain sectors creates a risk of material financial disruption if there is a sudden relationship breakdown or contract loss, or more stringent regulation in certain sectors.	▪ Enhanced Go-To-Market proposition launched publicly to streamline and clarify the Group’s client offering. ▪ ‘Whopper’ Strategy of increasing the number of $20 million+ revenue clients, to reduce concentration risk. ▪ Ongoing market offering that differentiates the Group against competitors.	↑
8. Reputation risk			
	Risk of share price volatility if investors’ expectations are not met through consistent and clear corporate messaging.	▪ Regular communication with investors and analysts through roadshows and conferences. ▪ Rolling out of updated Communications Guidelines to ensure responsible and consistent messaging. ▪ Use of trusted third parties to assist with timing and consistency of messaging.	↔
9. Information security and data privacy			
	If there are insufficient controls over Information Security or Data Privacy, there is a risk of a security breach, non-compliance with client contracts, or regulatory breach.	▪ Ongoing compulsory all-employee training on significant information security (‘Infosec’) and Privacy topics. ▪ Ongoing ISO 27001 certification programme being executed in key offices. ▪ Security controls deployed in critical products including Monks.Flow. ▪ InfoSec compliance assessments being conducted for scaled clients, with improvement plans rolled out for relevant areas of enhancement. ▪ Privacy Champions network created to embed privacy best practice in the business. ▪ Business capabilities recording of processing activities in all practices and Monks.Flow. ▪ Increasing incorporation of Privacy by Design into business processes.	↔
10. Competitive environment			
	Increased competitive offerings and low barriers to entry in the industry may impede new business opportunities or erode margins.	▪ Evolution of the Group’s service offering, ensuring that it is leading edge. Current focus is on Metaverse, and most importantly, AI. ▪ Three-year strategic planning process to identify opportunities and risks. ▪ Ongoing investment in talent and technological tools to enhance the Group’s differentiated offering.	↔

Principal risks and uncertainties continued

Viability Statement

In accordance with Provision 31 of the UK Corporate Governance Code 2018, the Board of Directors of S4 Capital Group ('the Group') has assessed the prospects and viability of the Group over a period of three years from 1 January 2025. The three-year period has been chosen as it aligns with the Group's strategic planning cycle, the rapidly changing landscape in the marketing and advertising industry, and the time horizon typically employed for the assessment of industry-specific risks and uncertainties.

The selection of a three-year period also allows the Group to balance short-term responsiveness with long-term strategic planning, reflecting our focus on agility, adaptability, and innovation. This period is deemed appropriate considering the following factors:

1. Industry dynamics: The marketing and advertising industry is characterised by rapid technological advancements (including the impact of AI), evolving consumer preferences, and the need for constant innovation. A three-year period allows the Group to monitor and adapt to these changes while maintaining a forward-looking perspective on future opportunities and challenges.
2. Competitive landscape: Given the fast-paced nature of the industry, it is essential for the Group to maintain a competitive advantage by anticipating and responding to emerging trends and client demands. A three-year period is suitable for assessing our competitive position and developing strategies to maintain and strengthen our market share.
3. Environmental risks: The Group recognises the importance of addressing environmental risks, including climate change and resource scarcity. A three-year period allows the Group to assess and manage the potential impact of these risks on its operations and implement measures to minimise any adverse effects.
4. Financial resilience: A three-year period aligns with the Group's budgeting and forecasting cycle, enabling the Board to evaluate the financial resilience of the business while considering potential risks and uncertainties.

The Board has set the strategy for the Group within the digital marketing and advertising sector, considering key factors such as market dynamics, competitive landscape, technological developments, regulatory environment and the Group's financial resilience. The Board has also reviewed the Group's risk management framework, which identifies, evaluates, and mitigates significant risks to the business, including both internal and external factors, with particular attention to environmental risks.

Key assumptions underpinning the viability assessment include the following:

1. Sustainable revenue growth driven by the increasing demand for digital marketing and advertising solutions and our ability to respond effectively to industry trends.
2. Successful integration and synergy realisation from strategic mergers and acquisitions, further enhancing our service offerings and expanding our global footprint.
3. Adherence to a disciplined financial strategy, focusing on maintaining a prudent level of debt and ensuring access to adequate sources of funding.
4. Compliance with relevant laws and regulations, as well as our commitment to upholding the standards of corporate governance.
5. Effective management of key risks, including economic, operational, environmental and reputational risks, through the implementation of robust mitigation strategies.

The Board of Directors has performed a robust assessment of the principal and emerging risks and uncertainties that could threaten the business model, future performance, solvency or liquidity of the Group. The assessment includes an evaluation of the Group's resilience to these threats in severe but plausible scenarios. The principal risks and uncertainties that the Board believes could have a significant adverse impact on the Group's business are set out on pages 20 to 22.

In the downside scenario, the Group models a considerable decline in demand during 2025 and 2026, resulting in a significant 10% reduction in net revenue along with a 6% reduction in operating costs when compared to the Board-approved three-year plan forecasts.

The results of our stress test in the downside scenario indicate that the Group maintains adequate liquidity throughout the evaluation period without breaking any existing debt covenants, demonstrating resilience under these challenging conditions.

Principal risks and uncertainties continued

The Board can leverage a variety of potential mitigating actions to control costs and manage cash flow.
A combination of the following mitigating actions (all of which would be fully under the Group's control) could be leveraged to achieve over and above the level of operating cost reductions assumed in the downside scenario, if required:

1. Workforce planning: Review the Group's workforce and implement measures to optimise resource allocation, including potential hiring freezes, voluntary redundancy programmes, or reskilling initiatives.
2. Cost reduction: Identify and implement cost-saving measures across the organisation, including further potential reductions in discretionary spending and operational efficiency improvements.
3. Portfolio optimisation: Re-evaluate the Group's product and service offerings to focus on high-margin, high-demand areas, while discontinuing underperforming or low-margin products and services.
4. Financial management: Review the Group's financial position and explore options for restructuring its debt, such as renegotiating loan terms, refinancing existing debt, or securing alternative sources of financing.

In addition to the mitigating actions outlined above, the Group has access to a fully undrawn Revolving Credit Facility (RCF) of £100 million which matures in August 2026 with £80 million extended until February 2028. This facility serves as an additional financial resource that can be utilised to manage liquidity, support operational stability, and address any unforeseen challenges or opportunities that may arise during the assessment period.

Based on the outcome of this comprehensive assessment, the Board has a reasonable expectation that S4Capital plc Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period of assessment. The Board acknowledges that there are inherent uncertainties in any forward-looking analysis, and therefore, it will continue to monitor and update the Group's risk management framework and business strategy as needed.

The Strategic Report on pages 7 to 24 was approved by the Board of Directors on 23 March 2025 and signed on its behalf by:

Martin Sorrell

Sir Martin Sorrell
Executive Chairman

23 March 2025

Mary Basterfield
Group Chief Financial Officer

23 March 2025

Sustainability Statement

3

Our sustainability commitments

"We believe that technology and creativity can be used as forces for good. In our industry, we primarily serve the needs of our clients, but it should also be a consideration whether the technology and creativity we develop can be used in a different environment, where the outcome is beneficial for the people and planet"

Regina Romeijn
Global Head of ESG

Navigating change, driving efficiency

As we navigate the complexities of 2024 and the year ahead, we should acknowledge the shifts impacting ESG, our people, our industry and the world at large. The convergence of technological advancements, geopolitical changes and economic pressures demands that we accelerate change and act quickly.

This year has marked significant success for the Group in relation to our ESG efforts. We achieved global B Corp Certification, underscoring our commitment to balancing profit with purpose and advancing our ESG initiatives. In addition, our Science Based Targets initiative (SBTi) targets were accredited and approved, reinforcing our commitment to measurable emissions reductions.

The changes in global frameworks and legislation, such as the EU's Corporate Sustainability Reporting Directive and California's climate-related laws, show increased environmental reach and alignment of transparent reporting globally. We applaud the eventual impact these legislations will have in speeding up internal data gathering processes and in requiring transparency on our overall governance.

New legislation introduces new levels of complexity for robust data gathering and disclosures. This necessitates continuous efforts to transform and establish a robust compliance and reporting structure, spanning cross-functional teams to integrate ESG into our daily operations in a systematic and controlled manner. But the focus on legislative readiness and ESG reporting may divert attention from critical ESG issues or impact, especially as some political leaders retreat from net-zero commitments. This increases the risk of further inaction and negative sentiment around ESG.

Simultaneously, the rapid advancement of AI is reshaping our ways of working – and our industry. Public awareness around AI reached a tipping point in 2024. It transformed our engagement with clients and, as the recognised leaders in AI, our positioning in the industry. In just one short year, the brand marketing organisation has become more complex, making previous playbooks obsolete. Brands now need real-time engagement and connections moving at the speed of culture.

That's where we come in. We help our clients implement AI in their supply chains to drive consolidation and unlock significant cost savings, productivity gains and innovation. And while the industry is adapting to the rapidly changing talent landscape, we will focus on our talented people – providing ongoing training, immersing them in AI technology and related tools, and enhancing their understanding of governance aspects related to associated risks, data privacy, security and the appropriate code of conduct.

Our work over the past few years – and particularly in 2024 – has set our benchmark for the future, with clarity (and, of course, room for improvement) on where we can amplify positive impact. With this level of change there is always something to look forward to.

Our sustainability commitments continued

Our ESG strategy continues to focus on our pillars of People Fulfilment, Our Responsibility to the World and One Brand.

People Fulfilment

We are committed to building a globally decentralised workforce that embraces diverse perspectives, skills, thoughts and experiences. We provide our people with the tools, training and support needed to foster a culture that allows us to adapt to the changing world.

Our Responsibility to the World

Our overarching sustainability goal is our commitment to SBTi-approved Greenhouse Gas (GHG) targets, with 2022 as the baseline year for market-based reporting.

Overall net zero target

Reach net zero GHG emissions across the value chain by

2040

Near-term targets

Reduce absolute Scope 1 and 2 GHG emissions

42%

by 2030 from a 2022 base year[1]

Reduce absolute Scope 3 GHG emissions

25%

during the same timeframe

Long term targets

Reduce absolute Scope 1, 2 and 3 GHG emissions

90%

by 2040 from a 2022 base year

Note:

1. Reduction of near-term target increases by 4.2% each year from 2028 onwards, with an implied reduction in Scope 1 and 2 of 42% by 2030.

Our journey to date

FY21

- First advertising and marketing firm to commit to the Amazon Climate Pledge, with the aim of net zero emissions by 2040

FY22

- Inaugural CDP response, scoring B-
- First Task Force on Climate-Related Financial Disclosures (TCFD) risk assessment and disclosures
- Submitted SBTi letter of commitment

FY23

- Implementation of GHG software to develop data quality and analysis for GHG
- Set formal SBTi targets and began work on Transition Plan
- CDP score of B

FY24

- Global B Corp Certification
- Received validation of SBTi target
- ESG SteerCo established
- TCFD risk assessment with advanced physical risk modelling
- Double Materiality Assessment undertaken

In addition to our net zero targets, we are committed to steadily increasing our renewable energy consumption, aiming for 100% renewable energy by 2040. Furthermore, we have set an ambitious goal to transition to a fully electric vehicle fleet by 2030, reinforcing our dedication to sustainable operations and carbon reduction. We also aim to report against the global legal reporting requirements and frameworks, which will lead to new internal governance structures, KPIs and processes. In 2024, we implemented a range of additional internal policies to strengthen ethical conduct, enhance information security, and improve overall governance standards across our operations.

We will continue to comply with our client requests to submit our data to CDP, EcoVadis and UniTier, aiming to better our score year on year as a result of improved ESG performance through our people, planet and governance programmes.

While our focus on AI and related technologies highlight new sustainability challenges, it also opens up exciting opportunities for innovation. This technology fosters innovation and enhances our ongoing work with and for our clients, some of whose projects can indirectly contribute to the United Nations Sustainable Development Goals (SDGs).

We also participate in industry initiatives like #ChangeTheFace and AdGreen, and our team will continue to share their insights and engage with our stakeholders on creativity, technology and the industry moving forward on global events and media.

One Brand

All these initiatives contribute to a more integrated approach with ESG as part of our business model, unifying our operating model and strengthening our One Brand execution moving forward under a single P&L.

Our impact model

Input	**People** 7,166 Monks 48.6% women 47.7% men 3.7% undeclared	**Resources** 48 offices 33 countries 3,911,480 KWh electricity used		**Our relationships** Clients Technology partners Investors
Output	Offered 76 intern and associate positions Continued flagship S4 programmes Deployed Accelerate.Monks management programme, over 800 applicants globally	21.2% absolute emissions (market-based) reduction YoY 2.8 tCO_2e per employee 42.1% of electricity is renewable	£848.2 million revenue £78,136 (0.01% of revenue) donated to charities and 3,184 voluntary hours	6,872 projects 544 For Good projects 113 Purpose-driven clients
Long-term value	We empower our people to be a catalyst for change, in an inclusive, diverse and creative workplace	We embed integrated sustainable processes to drive efficiency and long-term environmental responsibility across all facets of our business, ensuring progress toward net zero operations	We remain economically viable and invest in our innovations enabling us to contribute to sustainability challenges in the long run	We help improve the ESG impact of our clients – to bring about the shift in attitudes and behaviour needed to reach the SDGs

People Fulfilment

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

Our Responsibility to the World

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

One Brand

.monks

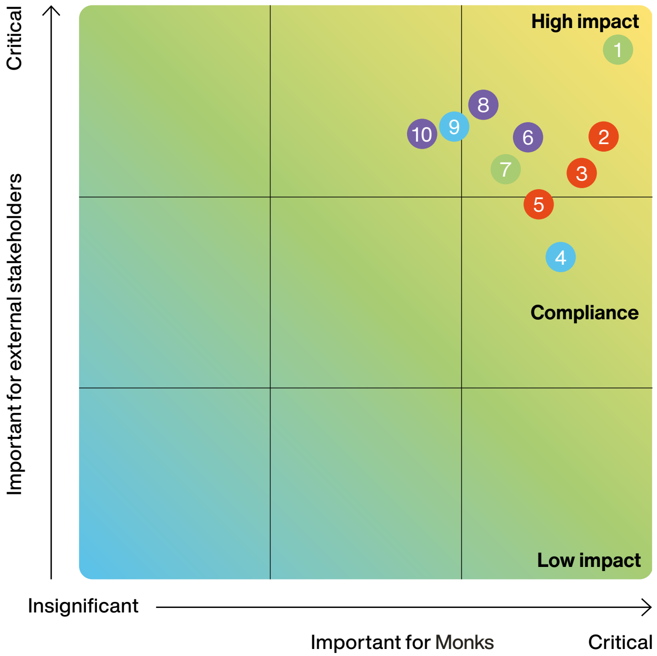
Materiality assessment and outcome

Since 2019, we have embraced voluntary frameworks like GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board), while complying with the Sustainability Disclosure Requirements (SDR) mandated by the Financial Conduct Authority (FCA) in the UK. That year we conducted our first materiality assessment, asking our stakeholders: "What should we consider as material when it comes to our people and planet?"

Over the years, this comprehensive analysis has not only involved examining our internal expectations and key sustainability strengths, but has also required us to view our business through the lens of crucial stakeholders: our people, investors, clients, suppliers and partners. We have committed to updating our materiality matrix annually, based on what our stakeholders deem material, as we have done in previous years.

In the future, in accordance with prevailing legislation and the proposed changes via the Omnibus package, we fall within the scope of the Corporate Sustainability Reporting Directive (CSRD). In preparation for this Directive, the Group conducted a Double Materiality Assessment (DMA) in 2024. The assessment followed guidance from the European Sustainability Reporting Standards (ESRS), based on relevant financial thresholds, which involved an analysis of the risks and opportunities affecting our business and the impacts of our business on stakeholders.

The results of our DMA confirmed that the previously identified material topics mostly remain relevant to the Group.



- Zero impact workspaces
- Sustainable work
- People fulfilment
- Responsibility to the world: Governance

1 Climate change
2 Working conditions:Mental health & wellbeing
3 Talent development & training
4 Impact work
5 Diversity, equity & inclusion
6 Ethics & responsible business practices
7 Sustainable sourcing
8 Privacy & data protection
9 Sustainable innovation & technology
10 Responsible marketing practices

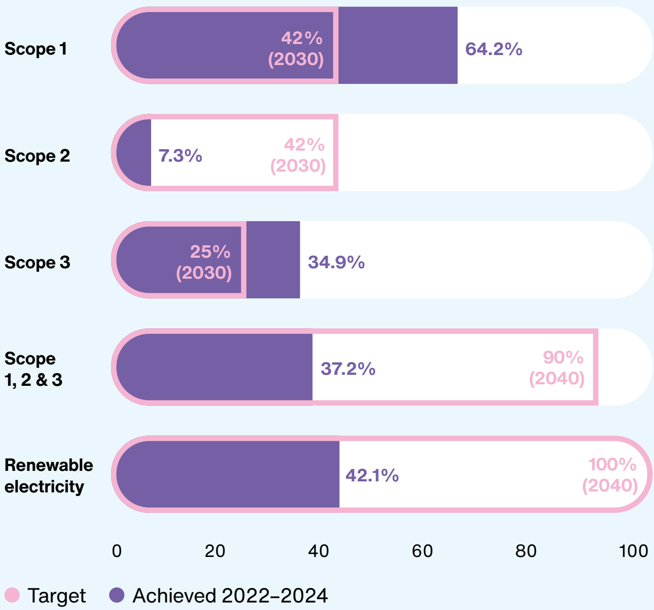
Our 2024 materiality assessment reflects a strategic shift in stakeholder priorities, emphasising Climate change (new number one material topic), Ethics & responsible business practices, and Mental health & wellbeing. Climate change, and specifically our net zero commitment, have become central themes, underscoring the growing urgency for sustainability matters and emissions reduction. Additionally, Mental health & wellbeing, and Ethics & responsible business practices have gained prominence, reinforcing our commitment to fostering a people-first culture.

The inclusion of Responsible marketing practices and Sustainable sourcing highlights increasing expectations for transparency, accountability and impact-driven business solutions. As we move forward, we remain committed to aligning our strategy with these evolving priorities, ensuring long-term value for our stakeholders and the communities we serve.

Our Responsibility to the World: Zero impact workspaces

Zero impact workspaces

Progress against targets



Our emission reduction strategy prioritises actions that result in energy efficiency, utilising renewable electricity, and minimising our dependence on fossil fuels across our global operations. Following the approval of our Science-Based Targets by the SBTi in 2024, we have made significant progress towards achieving our long-term goal of net zero by 2040. Compared to 2023, we achieved a 21.2% reduction in our total greenhouse gas (GHG) emissions (market-based).

Methodology, collection of data and reporting

Our methodology for GHG emissions reporting has remained consistent. We continue to follow guidance provided by the GHG Protocol Corporate Accounting and Reporting Standard and the Environmental Reporting Guidelines, including the Streamlined Energy and Carbon Reporting (SECR) regulations established by the UK in March 2019 (with updates to the Introduction and Chapters 1, 2). We measure carbon intensity per employee to assess our environmental impact relative to workforce size.

Utility consumption data is collected for all operational facilities, including those only partially active during the reporting year. GHG emissions from electricity consumption are calculated using both the market-based and location-based methods to provide a comprehensive look at our electricity-related emissions and their impact on our sustainability goals.

Emission factors are sourced from the 2024 International Energy Agency (IEA) dataset and the UK's DEFRA 2024 emission factor for generation, transmission, and distribution. To enhance data accuracy and efficiency, we have integrated environmental management software into our GHG reporting framework. Notably, suppliers are providing us with more actual emissions data, particularly regarding business travel, which significantly improves the overall quality of our data.

Obtaining actual data from co-working facilities has posed a challenge, and we have had to employ extrapolation methods to estimate emissions where actual data is unavailable. We were able to obtain 100% actual data for our UK offices.

Our reporting of Scope 3 GHG emissions is consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, where we identified six material categories to report on.

Results

Scope 1 emissions decreased significantly by 53.2% across all categories

In 2024, we closed offices known for high gas consumption and refrigerant leaks, and consolidated offices into energy-efficient locations. Notably, our reliance on gas has decreased by 55.3%, while the number of electric vehicles in our fleet has grown to 80% in 2024, contributing to a 60% reduction in mobile combustion emissions from leased company cars.

The availability of electric charging stations at our facilities in the Netherlands and Germany reduced our reliance on fuel for our hybrid fleet.

Scope 2 emissions (market-based) increased slightly by 6.5% year over year

While the percentage of offices utilising renewable energy remains relatively stable, our overall electricity consumption rose, leading to a decrease of 290 basis points in renewable energy as a percentage of our total energy consumption compared to 2023. Facility consolidation is key to our carbon reduction action plan and, as noted above, we consolidated certain locations in 2024. The emissions from the facilities we have consolidated are included in our Scope 2 emissions (market-based), however, the full year benefit of the consolidation will show in 2025.

Usage of district heating increased by 2.2%. Two of our European offices rely on district heating, although one was closed in 2024, and an action plan to implement more energy-efficient methods for the remaining facility is in development. With the ongoing optimisation of our global facilities, we anticipate a reduction in Scope 2 emissions in the years ahead. Since we do not own our facilities, we aim to switch to renewable energy contracts whenever possible. We are actively exploring ways to make these types of switches for both facilities and leased vehicles.

Our Responsibility to the World: Zero impact workspaces continued

Scope 3 emissions decreased substantially by 18.3% in 2024 compared to 2023

After conducting an internal assessment, we determined that our Scope 3 emissions profile – the number of categories we report on – remained the same year over year, with six material categories emerging out of a total of 15. The reductions were observed across all disclosed items, except for waste generated in our operations. Most cities in the APAC and LATAM regions lack available data on operational waste generation, complicating the accuracy of sustainability reporting. To address this, our facility teams globally employ a manual tracking method, estimating monthly waste based on bag sizes and disposal frequency. This year, we streamlined this process, resulting in improved global waste estimations.

The decrease in our Scope 3 emissions can be attributed to several key factors. A number of our suppliers now provide actual emissions data, particularly around business travel, which has improved the quality of our Scope 3 data. We also saw lower emissions numbers in purchase of goods and services, which is broadly directly correlated with the underlying costs of these activities. This was as a result of the discipline on controlling our overall cost base and is expected to continue. The breakdown of our hosting usage revealed a reduction of 34.8%, reflecting our commitment to creating greener digital products. While measuring all digital-related activities across our operations is challenging, our incremental improvements and disciplines have enabled us to help clients achieve better outcomes with less cost to the earth. Our refined travel policy has provided better insights into team travel activities, fostering more efficient travel practices and additional emissions reductions. A decrease in headcount has also contributed to lower emissions, reflected in a reduction in employee commuting and travel.

These collective efforts underscore our commitment to sustainability and continuous improvement as we work towards our net zero 2040 goal.

From (hydroponic) farm to table in Singapore

At Monks Singapore, the organic hydroponic vegetable wall farm isn't just a piece of decor – it's a living, breathing symbol of sustainability and wellbeing. Every week, Monks harvest fresh, nutrient-rich vegetables and herbs such as kale, lettuce and mint grown right in the office for our team to take home. Whether it's for a crisp salad, a revitalising juice or a home-cooked meal, this wall nourishes more than just bodies – it cultivates a culture of health and conscious living.

Going green in Noida

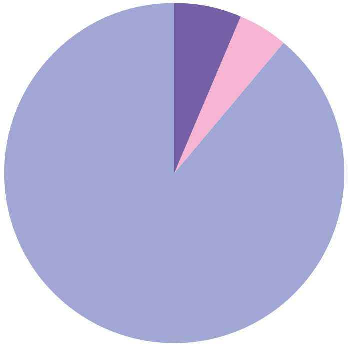
Given the high levels of pesticides and chemicals in most market produce today, our team in Noida, India, wanted to provide their fellow Monks with a healthier alternative. Cultivated in small dirt patches surrounding our office building – and now making up almost 50% of our entire office area – the Monks Farm produces organic and seasonal vegetables for our Monks to enjoy at the office or at home. To lean into sustainability (and because municipal water is not always sufficient), we also harvest rainwater.

50%

of our Noida office area is made up by Monks Farm

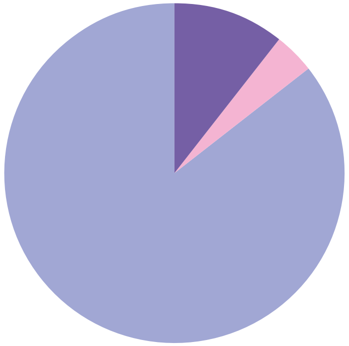
Our Responsibility to the World: Zero impact workspaces continued

2024 tCO_2e emissions per scope



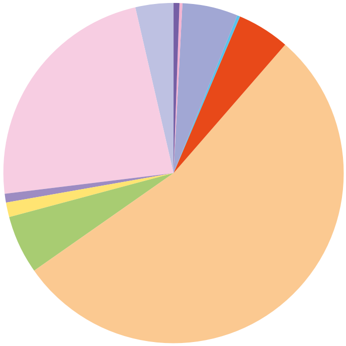
Total Scope 1	**1,293**
Total Scope 2 (market-based)	**1,005**
Total Scope 3	**17,923**

2023 tCO_2e emissions per scope



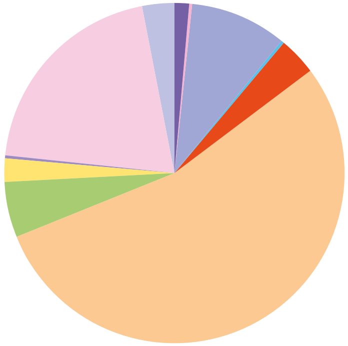
Total Scope 1	**2,764**
Total Scope 2 (market-based)	**944**
Total Scope 3	**21,946**

2024 tCO_2e emissions by category



Natural gas	**168**
Company leased cars	**18**
Refrigerant leakages	**1,107**
District heating & steam	**25**
Electricity – Grey (market-based)	**980**
Purchases of goods & services	**10,918**
Capital goods	**1,117**
Fuel & energy related activities	**299**
Waste generated in operations	**139**
Business travel (land & air)	**4,733**
Employee commuting	**717**

2023 tCO_2e emissions by category



Natural gas	**376**
Company leased cars	**45**
Refrigerant leakages	**2,343**
District heating & steam	**22**
Electricity – Grey (market-based)	**922**
Purchases of goods & services	**13,987**
Capital goods	**1,359**
Fuel & energy related activities	**567**
Waste generated in operations	**93**
Business travel (land & air)	**5,169**
Employee commuting	**771**

Our Responsibility to the World: Zero impact workspaces continued

Emissions profile: Global and UK, 2024 vs 2023

	Global 2024	Global 2023	Global % change 2024/2023	UK 2024	UK 2023	UK % change 2024/2023
Employees	7,166	7,707	(7.0%)	304	312	(2.6%)
Total tCO_2e (market-based)	20,221	25,654	(21.2%)	1,235	1,856	(33.4%)
Carbon intensity tCO_2e per employee	2.8	3.3	(15.2%)	4.1	5.9	(31.7%)

Streamlined energy and carbon reporting: Global and UK operations, 2024 vs 2023

	Global gas consumption 2024	Global gas consumption 2023	Global gas consumption % change 2024/2023	UK gas consumption 2024	UK gas consumption 2023	UK gas consumption % change 2024/2023
kWh	916,143	2,037,888	(55.0%)	13,043	1,359,285	(99.0%)
$kgCO_2e$	167,855	375,720	(55.3%)	2,390	251,887	(99.1%)
kWh/Employee	128	264	(51.6%)	43	4,357	(99.0%)
$kgCO_2e$/Employee	23	49	(52.2%)	8	807	(99.0%)

	Global electricity consumption 2024	Global electricity consumption 2023	Global electricity consumption % change 2024/2023	UK electricity consumption 2024	UK electricity consumption 2023	UK electricity consumption % change 2024/2023
kWh	3,911,480	4,476,841	(12.6%)	24,444	459,108	(94.7%)
$kgCO_2e$	980,029	922,035	6.3%	1,934	2,752	(29.7%)
kWh/Employee	546	581	(6.1%)	80	1,472	(94.5%)
$kgCO_2e$/Employee	137	120	14.0%	6	9	(29.3%)

Our Responsibility to the World: Zero impact workspaces continued

Greenhouse gas emissions breakdown by scope: Global and UK, 2024 vs 2023

	Global tCO_2e 2024	Global % of Total 2024	$KgCO_2e$/ Employee 2024	Global tCO_2e 2023	Global % change 2024/2023	UK tCO_2e 2024	UK tCO_2e 2023	UK % change 2024/2023
Scope 1								
Natural gas – stationary combustion	168	0.8%	23	376	(55.3%)	2	252	(99.0%)
Company leased cars – mobile combustion	18	0.1%	3	45	(60.0%)	–	–	–
Refrigerant leakages – fugitive emissions	1,107	5.5%	154	2,343	(52.8%)	142	449	(68.4%)
Total Scope 1	1,293	6.4%	180	**2,764**	(53.2%)	144	**701**	(79.4%)
Scope 2								
Purchased heat and steam 1	25	0.1%	3	22	13.6%	–	–	–
Purchased electricity – Grey (market-based)	980	4.8%	137	922	6.3%	2	3	(33.3%)
Purchased electricity – Grey (location-based)	1,295	6.3%	181	1,538	(15.8%)	5	95	(94.7%)
Purchased electricity – Green – as a percentage of total consumption	42.1%	–	–	45.0%	(290 bps)	79.6%	97.0%	(1,740 bps)
Total Scope 2 (market-based)	1,005	5.0%	140	**944**	6.5%	2	**3**	(33.3%)
Total Scope 2 (location-based)	1,320	6.4%	184	**1,560**	(15.4%)	5	**95**	(94.7%)
Total Scope 1 & 2 (market-based)	2,298	11.4%	321	**3,708**	(38.0%)	146	**704**	(79.2%)
Total Scope 1 & 2 (location-based)	2,613	12.7%	365	**4,324**	(39.6%)	149	**796**	(81.2%)
Scope 3								
Purchased goods and services [1]	10,918	54.0%	1,524	13,987	(21.9%)	463	567	(18.3%)
Capital goods	1,117	5.5%	156	1,359	(17.8%)	47	55	(14.5%)
Fuel- and energy-related activities	299	1.5%	42	567	(47.3%)	1	43	(97.7%)
Waste generated in operations	139	0.7%	19	93	49.5%	3	7	(57.1%)
Business travel (land and air)	4,733	23.4%	660	5,169	(8.4%)	549	453	21.2%
Employee commuting	717	3.5%	100	771	(7.0%)	26	27	(3.7%)
Total Scope 3	17,923	88.6%	2,501	**21,946**	(18.3%)	1,089	**1,152**	(5.5%)
Total GHG emissions (market-based)	20,221	100.0%	2,822	**25,654**	(21.2%)	1,235	**1,856**	(33.4%)
Total GHG emissions (location-based)	20,536	100.0%	2,866	**26,270**	(21.8%)	1,238	**1,948**	(36.4%)

Note:
1. Purchased goods and services includes water usage. Global tCO_2e for water in 2024 is 4 (2023: 10) and UK tCO_2e for water in 2024 is 0.02 (2023: 1).

A significant reduction in Scope 1 and 2 emissions was achieved in the UK, mainly due to our move from the old London office to a new, smaller location that uses less natural gas, electricity and has fewer refrigerant leakages. However, the new facility still partially depends on non-renewable energy sources, which has lowered our percentage of renewable energy usage in relation to our total consumption.

Our Responsibility to the World: Sustainable work

Sustainable work

The year was marked by both challenges and successes, prompting us to reassess our business models and overall impact. As we navigated the evolving landscape of our industry, we remained disciplined and proactive in driving efficiency across the Group. Our talented teams demonstrated agility, adapting in real time to emerging challenges.

AI emerged as a key strategic focus, leading us to invest in training and resources that help clients and partners enhance efficiency through sustainable solutions. Internally, we advanced our transformation by implementing the 'One Brand' strategy, including an integrated Go-To-Market approach, fostering a unified culture that strengthens our collective identity and impact.

The total number of projects has declined for three consecutive years, influenced both by our integrated Go-To-Market strategy and broader economic factors. However, the percentage revenue from For Good projects has increased to 4.5% from 4.2%. In contrast, revenue from Purpose-driven clients has decreased to 2.9% from 3.3%. Despite an 8.4% increase in the number of For Good projects, total revenue did not grow proportionally due to a decline in revenue per project. We successfully expanded our Purpose-driven client base by 11.9%, with a notable concentration of these clients in the APAC region.

The Group has continued to make donations to make an impact to causes it supports, and these have increased by 20.5%. The hours donated to community and charity services have also significantly increased by 119.7%. As climate change contributes to a growing number of catastrophes globally, we are committed to reducing greenhouse gas emissions and achieving net zero by 2040, while also supporting relief efforts through contributions.

Our performance, 2024 vs 2023

	2024	2023	% change 2024/2023
Total number of projects	6,872	8,414	(18.3%)
Total For Good projects	544	502	8.4%
Revenue from For Good projects	£38,581,276	£42,407,192	(9.0%)
% revenue from For Good projects/revenue	4.5%	4.2%	30 bps
Purpose-driven clients	113	101	11.9%
For Good projects for Purpose-driven clients	395	409	(3.4%)
Revenue from Purpose-driven clients	£24,362,663	£33,249,745	(26.7%)
% Revenue from Purpose-driven clients/revenue	2.9%	3.3%	(40 bps)
% Revenue from projects for alcohol and tobacco clients[1]	2.8%	2.6%	20 bps
Monetary donations to community and charity services	£78,136 (0.01% of revenue)	£64,870 (0.01% of revenue)	20.5%
Hours donated to community and charity services	3,184	1,449	119.7%

Note:
1. The Group does not have any revenue from tobacco clients (2023: nil).

Our Responsibility to the World: Sustainable work continued

**"The role of AI in our industry is truly transformational, and it is quite different. Normally in our business you
see something new, which is overhyped,
and you then have to get through a massive gap to catch up. This is the first time I've seen where the technology – AI – is ahead of what people think it can do. The challenge is the ability for teams, talents and the enterprise to ingest the technology and use it effectively"**

Wesley ter Haar
Chief AI and Revenue Officer

Leveraging AI as a force for good

Our clients trust us as leaders in AI, relying on our expertise to navigate this transformative technology responsibly. With that trust comes the responsibility to uphold the highest standards. Below are some of the key ways we ensure AI is harnessed as a force for good, reinforcing our commitment to ethical and responsible innovation.

Ensuring responsible use of AI

With AI playing a growing role in our day-to-day work, ensuring AI is used responsibly throughout our organisation is critical. To that end, in 2024 our AI Training Taskforce launched AI Maker Trainings for our 'Maker' Monks — those who contribute to and deliver innovative solutions for our projects and clients. These trainings equip our teams with the skills and knowledge needed to harness AI effectively and responsibly.

Additionally, we introduced *15 Minutes of Now*, a series of weekly training sessions designed to keep our people at the forefront of AI developments. These sessions are tailored across business and operations, creative and tech, ensuring that all teams, regardless of their function, stay ahead in AI-driven technology advancements and continuously enhance their expertise. These mandatory trainings cater to different levels of proficiency and provide our people a base level of knowledge about AI holistically.

Our AI Core team handles all things related to legal, tooling, and hardware. Their mission is to help Monks use AI tools responsibly, protect the interests of Monks and our clients, and foster innovation within the Group. AI Core consists of representatives from our Legal, Data Privacy and Information Security teams.

Mitigating bias in AI

As AI becomes integral to marketing and content creation, it's essential to acknowledge the risks it poses, particularly in perpetuating biases. Left unchecked, AI systems can reflect and amplify the same prejudices that society struggles with, undermining efforts toward fairness, diversity and inclusion. At our core, we believe AI should not just avoid harm – it should actively promote equity, challenge entrenched biases and contribute to a more inclusive world. That is why we have committed ourselves to rigorous data management, robust oversight and purposeful design to ensure AI systems prioritise ethical outcomes. By taking an active role in shaping how AI systems are trained and deployed – whether by rethinking prompt design, scrutinising datasets, or incorporating diverse voices into the AI development process – we are doing our part to ensure that they are tools for inclusion.

Promoting more sustainable use of AI

As AI adoption accelerates, its energy consumption and environmental impact have become pressing concerns. Training and operating AI models requires immense computational power, creating a growing demand for energy-intensive GPUs. While this presents challenges, it also provides an opportunity to rethink how AI can be integrated as part of the solution for achieving climate sustainability. That is why we are committed to partnering with experts, such as cloud engineers and AI leaders, to explore innovations that minimise energy consumption while maximising global impact.

Our Responsibility to the World: Sustainable work continued

Changing the way work is done

As part of our foundational environmental, social and governance goals, we aim to become a catalyst for change in our industry. Leading by example, we are constantly ideating, innovating and creating solutions to drive efficiency, further the development of sustainable options and transform how the work is done – for the better. Below are just some of our 2024 innovation highlights.

Monks.Flow: Transforming organisational workflows

Early in 2024, we unveiled our award-winning Monks. Flow, an application ecosystem that is transforming organisational workflows by integrating human talent with AI technology. The service weaves together numerous workflows designed for developing insights, building assets at scale, adapting content, measuring performance and optimisation, and more. At Monks, we are changing the way work is done. But we are not doing it alone. We have teamed up with industry leaders – including Adobe, Meta, Google, Nvidia, and others – to advance end-to-end content supply chains, cut costs and deliver on the promise of personalisation at scale. These partnerships help keep our clients ahead of the market while steering the industry toward a new pricing model based on output rather than time.

Monks: Redefining outdated pricing models

We have redefined the agency commercial model to match AI-driven content creation. Traditional time-and-materials billing doesn't work in an era where AI accelerates outputs. Our outcome-based pricing model focuses on results, delivering faster, smarter and more cost-efficient solutions. This shift incentivises innovation and challenges outdated industry norms.

Formula AI: Delivering efficient and sustainable solutions

More and more of our clients are seeking AI solutions that are efficient, reliable and sustainable. Formula AI directly addresses these needs by combining smaller language models with knowledge graphs, significantly reducing computational power needs and carbon footprint compared to massive models. Formula AI also ensures accuracy by grounding AI responses in verifiable data, allowing organisations to confidently deploy AI solutions while maintaining compliance and reducing their exposure to risks from AI-generated misinformation.

OpenPlay Signature: Streamlining music catalogue and rights management

The result of a strategic partnership between Monks and OpenPlay, OpenPlay Signature marks a significant advancement in music and media management, offering clients a customisable platform that aligns precisely with their business needs to enhance efficiency in catalogue and rights management. This partnership allows for rapid deployment of customised solutions, reducing implementation times from years to months.

Private Network Common Platform (PNCP): Revolutionising mission-critical live media

Built in collaboration with Verizon and NVIDIA, PNCP redefines live streaming for mission-critical applications. Unlike traditional systems that rely on public networks, Verizon's Private 5G delivers dedicated, interference-free bandwidth, ensuring seamless, high-quality streaming in environments where reliability is paramount. From disaster zones to dense urban events, this platform guarantees uninterrupted performance, even in high-demand situations where public networks are prone to failure.

Monks and AWS: The future of broadcasting

By innovating the traditional broadcast model through our cloud-based Virtualized Broadcast workflows, the cost savings are not just in dollars, but in carbon emissions. With our partner AWS, we were able to reduce our footprint to 0.1 metric tons of CO_2e over a seven-game span for our 'virtual broadcast truck' during the NBA in VR season. At a 75% reduced carbon footprint, we present a more sustainable model for live event production.

Our Responsibility to the World: Sustainable work continued

Hatch: The Impossible Ad

Google invited us to participate in their Creative Lighthouse programme, challenging partners to make an 'impossible ad' with their Gemini LLM. We launched a comprehensive campaign for Hatch, in which we aimed to balance consumer education with performance, while achieving deep personalisation at scale. Monks.Flow worked seamlessly with Gemini to enhance creative ideation, strategy and consumer persona development, and with Google Performance Max to generate layouts specifically for their campaigns. We generated multiple headlines and locations – from bedrooms to boardrooms, yoga studios to mountaintops – to create targeted ads in just hours resulting in a 50% reduction in hours and 97% reduction in costs versus legacy approaches, freeing up massive resources for creatives and marketers to focus on areas where human touch is more critical.

Sir Martian: Our Chatty AI Artist

With AI, we are exploring new kinds of creative experiences that could not have been possible before. Case in point: our 'alien' robot Sir Martian. Capable of not only holding a conversation with users but also sketching portraits of them using cutting-edge generative AI in language, voice and vision technologies as a palette, this expressive robot captures the user's likeness – and essence – to create bespoke portraits. Sir Martian was recognised by Ad Age as one of the Top 5 AI Marketing Activations to Know About.

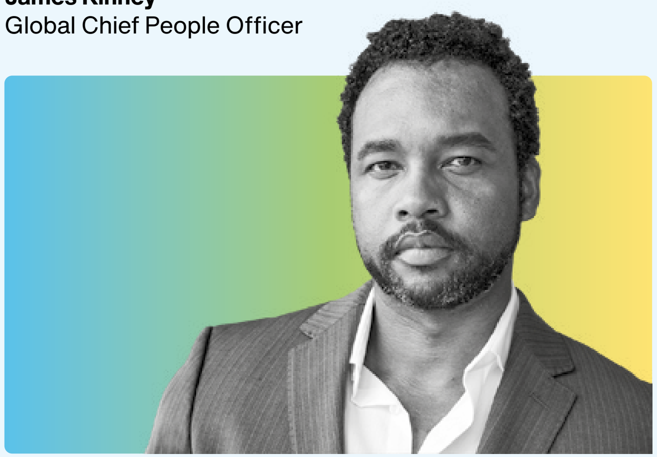
Victimes & Citoyens: Drive Like A Woman

To stay alive, and to save lives, men need to adopt a driving style often attributed to women. This crucial message was effectively communicated through an innovative OOH campaign. Simultaneously, on social platform X, we developed a chatbot specifically designed to respond to every tweet concerning women's driving. The chatbot provided well-reasoned and indisputable arguments that sparked a significant societal discussion across France. Remarkably, this initiative resonated far beyond borders, reaching audiences on all five continents and igniting conversations about gender and driving safety that are both relevant and transformative.

People Fulfilment

“After receiving numerous awards for our work in AI – including Adweek’s inaugural AI Agency of the Year and Business Intelligence Group’s Excellence in Artificial Intelligence – Monks continues to be a workforce deeply rooted in shaking the foundations of our industry, embodying this spirit through our ESG, talent and culture efforts. Our people continue to show up for each other, even as we face headwinds across the global economy, climate and governments”

James Kinney
Global Chief People Officer



In 2024, Monks adopted the theme of democratising culture, empowering our global teams to shape their own cultural narratives while anchoring them in shared values. This strategy not only fosters inclusivity and flexibility but has also driven a positive shift in our representation across all levels of the organisation.

We saw the proportion of women in management positions increase by 5.2%, now making up 46.6% of the management workforce, up from 44.3% in 2023. Additionally, the proportion of women in other professional positions has continued to grow, reaching 52.3% in 2024, up from 48.9% in 2023, further demonstrating our focus on gender balance across the organisation. Composition of the S^4Capital Board of Directors has changed year over year as well, with women making up 44.4% of the Board versus 33.3% in 2023 (see page 41).

Programmes like the S^4 Fellowship continue to drive forward our recruitment efforts, expanding outreach to Minority-Serving Institutions (MSIs) and ultimately helping to shape a leadership pipeline that mirrors the diversity of the global landscape. This year, these initiatives helped produce a 145% increase in applications, underscoring the appeal of a programme rooted in both diversity and career development.

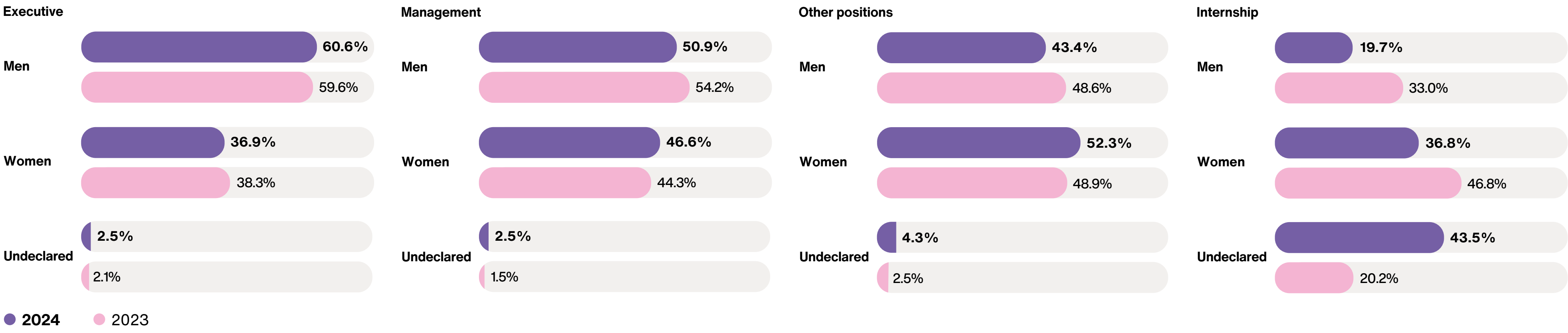
As we continue to refine and expand our diversity initiatives, we remain dedicated to building a culture that is not only global and diverse, but also truly inclusive, where every Monk contributes to co-creating a rich, dynamic cultural experience.

Our people progress, 2024 vs 2023

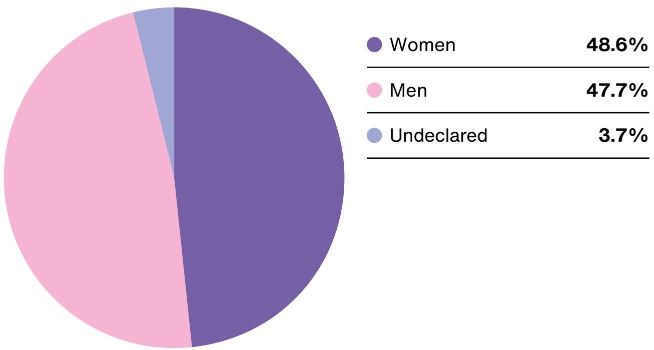
	Total 2024	Women 2024	Men 2024	Undeclared 2024	Total 2023	Women 2023	Men 2023	Undeclared 2023
Employees	7,166	48.6%	47.7%	3.7%	7,707	47.6%	49.7%	2.7%
Part time	1.7%				2.0%			
Full time	98.3%				98.0%			
Permanent contract	95.2%				96.0%			
Temporary contract	4.8%				4.0%			
% of turnover per total employees by gender	28.3%	46.6%	47.3%	6.1%	36.0%	47.0%	50.0%	3.0%
Covered by collective bargain agreement	30.3%				27.0%			
Absenteeism in the Netherlands	3.5%				3.0%			

People Fulfilment continued

Gender balance of workforce by role 2024



Gender balance of workforce 2024



Our representation

In line with our competitor sets and client needs over the past several years, we have structured ourselves for now and the future, ultimately consolidating 34 companies into one operating brand. Streamlining has enhanced our operational efficiency and positions us more competitively in the market, reflecting our adaptability and foresight. This operational transformation resulted in a 7.0% decrease in overall headcount in 2024 compared to 2023. Despite these changes, our unwavering commitment to empowering women in the workforce allowed us to maintain a healthy gender balance, a point of pride for our organisation.

This year we attained 48.6% female representation, which is our highest to date. We were pleased to bring on board exceptional talent such as Linda Cronin, EVP of Global Media; Nikki Gifford, Chief Operating Officer of Technology Services; and Juanita Draude, EVP of EMEA. While we have achieved our highest percentages of women in other professional positions at 52.3% and in management at 46.6%, we did observe a 1.4% decline in women in executive roles. To address this, we expanded our S4 Women in Leadership Program to support those emerging into leadership, providing training and opportunities to equip them for advancement.

People Fulfilment continued

Our US workforce demographics reveal a complex landscape of representation.

Asian representation decreased slightly to 14.2%, while Black or African American employees made up 5.2%, and Hispanic or Latino representation was at 9.2%. Notably, the percentage of individuals identifying as Two or More Races increased to 6.6%. At the Executive level, we saw an increase in Black or African American representation to 2.3% and Hispanic or Latino representation at 6.2%. Professional roles have seen positive diversity trends in the US, with Black or African American representation increasing to 9.2% and Hispanic or Latino representation rising to 14.2%.

In addition to this, all five of our S4 Fellows from the 2022 cohort successfully completed the rotational programme that focused on building a robust skillset within various facets of our business. We are delighted that they chose to stay at Monks, finding full time employment roles in different areas of our business that met their unique interests and career aspirations.

Overall US ethnicity, 2024

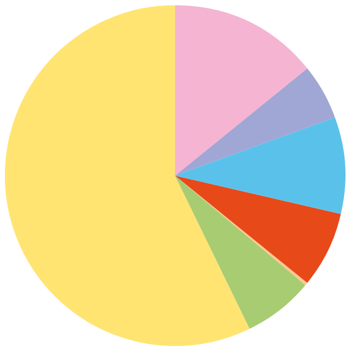


Table on gender or sex and ethnicity representation in the Board and executive management, FCA

The Financial Conduct Authority (FCA) requires us to have a structure approach to monitoring gender diversity and ethnicity

	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Reporting on gender identity or sex					
Men	5	55.6%	5	6	75.0%
Women	4	44.4%	4	2	25.0%
Other categories	—	—	—	—	—
Not specified/prefer not to say	—	—	—	—	—
Reporting on ethnic background					
White British or other White (including minority White groups)	7	77.8%	—	3	37.5%
Mixed/Multiple ethnic groups	—	—	—	—	—
Asian/Asian British	1	11.1%	—	—	—
Black/African/Caribbean/Black British	—	—	—	1	12.5%
Other ethnic group, including Arab	—	—	—	1	12.5%
Not specified/prefer not to say	1	11.1%	—	3	37.5%

In alignment with our commitment to engage, empower and lift women all across our organisation, composition of the S4Capital Board of Directors shifted this year, with women making up 44.4% of the Board versus 33.3% in 2023. Moving forward, our focus will be on ensuring our programmes and practices continue to provide equitable and accessible opportunities to foster a diverse and dynamic workforce.

People Fulfilment continued

Recruitment and professional development

S4 Fellowship

The S4 Fellowship Program is a two-year rotational programme for exceptional graduates, offering immersive career-building experiences in a phased learning curriculum. Fellows engage in professional development and training, cross-functional collaboration, and industry exposure working alongside executives and managers in various capacities. All five Fellows in our F2 (2022) cohort successfully transitioned into permanent roles in 2024, achieving our goal. Initially focused on HBCUs, the programme expanded in 2024 to include graduates from other Minority-Serving Institutions (MSIs), with the 2024 recruitment cycle (F4, our fourth cohort) seeing a 145% increase in applications year over year.

S4 Women in Leadership Program

The fourth cohort of the S4 Women in Leadership Program gathered at the UC Berkeley Haas School of Business in November 2024. The programme, which is aligned with the Women's Empowerment Principles (WEPs), aims to increase representation of women in management and leadership positions within the organisation. Women from across the Group were invited to apply, with 30 participants selected from a record number of applicants. Participants were mentored by internal leaders including Founder Sir Martin Sorrell, Global Chief Client Officer Deborah Heslip, Global Chief People Officer James Kinney, S4Capital Group Chief Financial Officer Mary Basterfield, among others, as well as Haas School instructors and external speakers.

Mentor.Monks

Launched in June 2024, Mentor.Monks was created to foster the growth and professional development of Monks by pairing them with leaders from across the organisation. During the eight-week session, Monk mentors help mentees accelerate their professional learning curve. Participants reported significant outcomes, including expanded professional networks, long-term connections, enhanced work quality and improved skills. In 2024, over 29% of our senior North American leaders participated. Due to the programme's initial success, it has since been hosted a second time, and will expand globally in 2025.

Accelerate.Monks

Accelerate is a global training and development programme that fosters individual growth, while honing creative thinking, AI, communication, change management and proactive leadership skills. Over 800 Monks applied for Accelerate 2024: The Symphony of Success, including entry-level employees seeking foundational skills, seasoned professionals looking for advanced insights and leaders aiming to enhance their leadership and management capabilities. The programme has created a global learning culture that reflects our commitment to developing talent and empowering our workforce to be future-ready in today's dynamic, fast-changing landscape.

Taking action locally

As we grow as an organisation, one thing that has come through from our people is the desire to bring things to life that represent the unique ethos of their respective cities and regions. Empowering local teams fosters inclusivity and ensures that our cultural narrative is diverse, reflective and relevant – even in our constantly evolving world. Below are just a few of our Monks' locally driven initiatives.

It Gets Better: North America Pride month

In 2024, Monks community group Pride.Monks hosted Brian Wenke, Executive Director of Los Angeles-based non-profit It Gets Better, for a virtual event 'It Gets Better: Storytelling for Good'. The nonprofit's mission is to uplift, empower and connect LGBTQ+ youth. Wenke's presentation explored the journeys of LGBTQ+ youth and highlighted the transformative power of storytelling in shaping sexual orientation and gender identity, providing real-life examples of how brands can authentically connect with LGBTQ+ youth to foster meaningful engagement and support. In alignment with our commitment to Pride, we also made a financial donation to the organisation.

Chicas en Tecnología: Empower to impact

This volunteer-driven initiative created by our Buenos Aires Monks in partnership with Chicas en Tecnología (CET) seeks to narrow the gender gap in technology in Argentina and x America by motivating, training, and mentoring young women aged 13–23. The programme curriculum incorporates mentorship, skill building and immersive experiences, empowering participants with technical and leadership skills to promote equitable access to the technology and STEM fields. Alongside partner organisation Chicas en Tecnología, which contributed expertise and outreach, over 40 Monks volunteers served as mentors, facilitators and workshop leads. More than 250 young people have participated in the programme.

Brixton Finishing School: Creative workshop

The award-winning Brixton Finishing School (BFS) exists to realise the potential of underrepresented talent across the marketing, advertising and creative industries. For the third year running, our London.Monks partnered with BFS to host their summer school students for a creative workshop, this year focused on 'the big idea'. Our creative leaders led a lively workshop, diving deep into the creative aspects of the advertising industry and sharing insights on how we generate groundbreaking ideas for big brands. The students were thoroughly engaged, asking thought-provoking questions and sharing their own opinions and ideas which they put into action during the task element of the workshop. In 2024, over 50 students attended the workshop.

Task Force on Climate-Related Financial Disclosures Report

The Group remains committed to addressing our impact on climate change and continues to take steps to ensure our resilience against climate-related physical and transition risks. Accordingly, in 2024 the Group took further strides in the management of climate change, building on the foundation laid in our commitments and previous years of TCFD reporting.

Governance

S4Capital's governance of climate issues is continually evolving to proactively manage climate-related risks and meet our climate targets. In mid-2024 the Group established an ESG SteerCo, meeting at least quarterly to ensure progress on our ESG strategy and compliance based on the direction from the Board's Audit and Risk Committee (ARC) and Executive Committee.

Risk management

The Group's Enterprise Risk Management Framework (ERMF) allows for consistent evaluation of climate-related risks and opportunities. Key activities this year included completing an inaugural Double Materiality Assessment per CSRD requirements, identifying material impacts, risks and opportunities (IROs) for our EMEA operations across various sustainability topics including climate change. This assessment confirmed that previously identified climate risks and opportunities remain relevant and material for the Group.

Strategy

The Board reviewed identified risks, opportunities and related mitigations. In 2024, the Group enhanced its analysis of climate-related physical risk exposures using Munich Re's Location Risk Intelligence tool. This geospatial modelling software provided insights into exposure to various climate hazards across our offices. While overall risk exposure remains unchanged, new potential hazards were identified that could disrupt business operations.

Metrics and targets

In July 2024, the Group's Science-Based Targets were validated by the SBTi, including goals to:

- Reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030 from a 2022 base year.
- Reduce absolute Scope 3 GHG emissions by 25% by 2030 from a 2022 base year.
- Reduce absolute Scope 1, 2 and 3 GHG emissions by 90% by 2040 from a 2022 base year.

These targets align with the 1.5°C ambition of the Paris Agreement, and progress will be vital for meeting stakeholder expectations and demonstrating S4Capital's sustainability leadership within the industry.

Task Force on Climate-Related Financial Disclosures Report continued

Compliance with UK Listing Rules

The Board has noted the requirement for mandatory climate-related disclosures arising from the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, in addition to UK Listing Rules 6.6.6R.

We set out in the adjacent table our compliance with the climate-related financial disclosures consistent with all the TCFD recommendations and recommended disclosures, as detailed in 'Recommendations of the Task Force on Climate-related Financial Disclosures', 2017, with consideration of the additional guidance in 'Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures', 2021. For Scope 3 we have re-examined all the 15 categories to determine the material categories that we include in our reporting. Each year we will reassess all categories and decide which ones are material for our organisation to report on. For 2024 we continue to report on six out of 15 Scope 3 categories: Purchased goods & services, Capital goods, Fuel- and energy-related activities, Waste generated in operations, Business travel and Employee commuting.

Recommendation	Recommended disclosures	Reference
Governance Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the Board's oversight of climate-related risks and opportunities	Page 45
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Page 45
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term	Pages 48 to 49
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Pages 40 to 49
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Pages 46 to 47
Risk management Disclose how the organisation identifies, assesses and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks	Pages 45 to 47
	b) Describe the organisation's processes for managing climate-related risks	Pages 45 to 47
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Pages 45 to 47
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Pages 48 to 50
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Pages 30 to 35; 48 to 49
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Page 50

Task Force on Climate-Related Financial Disclosures Report continued

Governance

Board level

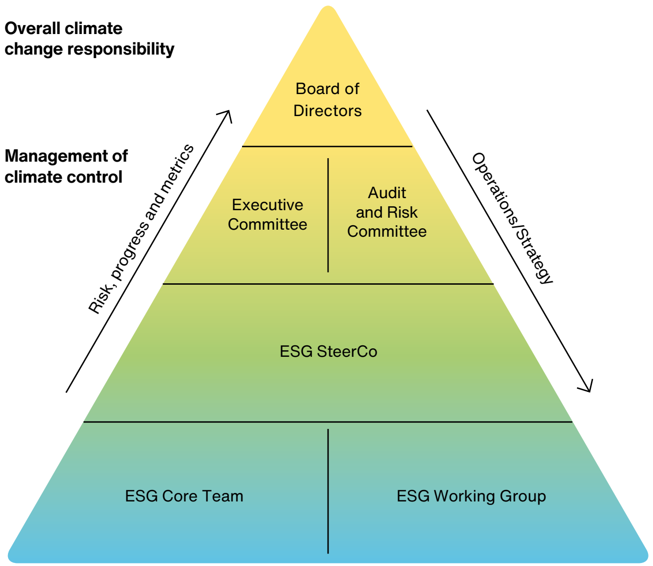
The S4Capital Board is responsible for assessing how the Group creates and sustains long-term value, including the sustainability of its business model and governance structures. The Board oversees climate change management and strategic responses, supported by the Audit and Risk Committee (ARC), the Nomination Committee and the Remuneration Committee. Remuneration for executives and eligible employees includes ESG-linked targets and this ensures that climate change impacts are integrated into Group strategy, business plans, and risk management processes.

With input from the Executive Committee, the Board sets climate change targets and monitors mitigation projects. Discussions during the year focused on key issues such as global B Corp Certification, SBTi and compliance with CSRD.

Mary Basterfield acts as the ESG Sponsor at the Board level, providing strategic guidance on climate matters. Miles Young, as a Non-Executive Director, leads climate-related discussions and presents updates bi-annually, often with the support of Regina Romeijn, the Global Head of ESG.

The Board reviews ESG risks periodically as part of its principal risk assessment and conducts a bi-annual overview of ESG performance. The Audit and Risk Committee is responsible for reviewing the Group's principal risks, including those related to sustainability and climate change, and meets at least three times a year to evaluate these risks.

Climate-related governance



Executive Committee

The Executive Committee ensures alignment of the Group's ESG priorities with overall business strategy, allocating resources to meet ESG ambitions within financial planning. The Global Head of ESG provides progress updates to the Committee at least bi-annually, with urgent matters addressed as needed. Mary Basterfield holds primary responsibility for ESG issues within the Group.

Management level

In 2024, the Group established the ESG SteerCo to guide its ESG strategy and ensure compliance, reporting to the Audit and Risk Committee. This cross-functional team meets quarterly and includes key leaders from finance, operations, people and governance.

The ESG SteerCo and ARC receive briefings from the ESG Core team, which focuses on identifying risks and opportunities while establishing frameworks for data management. Chaired by Regina Romeijn (Global Head of ESG), the team includes the Group Reporting Manager, Group ESG Reporting Lead, and ESG Project Manager.

To support compliance with global ESG frameworks, the financial control team collaborates with data owners to document processes and ensure data accuracy. All business units must incorporate ESG risks into their risk management as part of the Enterprise Risk Management Framework (ERMF).

Risk management

Identification of climate-related risks and opportunities is integrated into S4Capital's risk management processes, and climate-related risks have been classified as per S4Capital's ERM framework, to ensure comparability of climate-related risks' relative significance in relation to other risks. Our climate risk assessment takes into account all existing and emerging risks and opportunities, and all risk categories outlined in the TCFD recommendations. Risks and opportunities were considered in all physical and transition risk categories, current and emerging, and whether they occur within the Group's own operations or upstream and downstream of the Group. While all categories were considered, not all risk categories were applicable or material to the business. A summary of the risks and opportunities identified in this assessment can be found on pages 48 to 49 of this Annual Report.

Climate risks are identified both through bottom-up and top-down processes. Physical risks were rolled up from business unit level, while a top-down assessment was conducted of strategic and market risks. Physical and transition risks were assessed with the assistance of third-party consultants, using Munich Re's Location Risk Intelligence tool, which provides a geospatial natural hazard risk assessment across future time horizons and scenarios.

Task Force on Climate-Related Financial Disclosures Report continued

Climate-related transition risks were reviewed by senior management and took into account the comprehensive Double Materiality Assessment conducted during the year as part of the Group's CSRD preparation. This process enabled the Group to identify the material impacts, risks and opportunities (IROs), across a wide range of sustainability topics including climate change and gave the opportunity to review the previously identified climate-related risks and opportunities with input from a wide range of internal and external stakeholders. While this process did not identify any new climate-related risks or opportunities that may be considered material, it affirmed the validity of our previous climate risk assessments. Additionally, four climate-related impacts were identified that were considered to have the potential to materially affect external stakeholders of the Group.

Risk classification is assessed both through qualitative measures and quantifiable indicators, including Key Risk Indicators (KRIs) such as the impact on the Group's revenue, profit and share price. Impact of opportunities is assessed using the inverse of the scale below.

Insignificant
Low
Moderate
High
Critical

Substantive impacts are those that would have a significant adverse impact on the Group's business, materially affecting its business model, future performance, solvency, liquidity or reputation. Risks are subject to continual refinement and quantification over time, which assists with incorporation of climate-related risks into the overall strategy, budgeting and financial statements.

In line with best practice, we assess the magnitude of climate risks using the same parameters as other risks in the overall risk management framework. Potential risks are assessed according to their occurrence within the short (0–3 years), medium (3–10 years), or long term (10+ years), which is sufficient to incorporate our 2040 net zero targets and time for certain climate-related risks to manifest.

Strategy

The Group recognises that climate change presents both risks and opportunities to our business. Overall, based on our analysis and quantification of climate-related risks, we consider our climate exposure to be low, and in isolation the impact of most climate-related risks is limited. Having considered the below risks and opportunities, we conclude that the Group's strategy is resilient to climate change cross the short, medium and long term, with financial impacts classified as moderate at worst, but likely lower. Mitigating actions are in place or planned to further reduce and minimise the impact of these risks. Any impact will be accommodated into business-as-usual activity, so no fundamental change to the business strategy or budgets resulting from climate change is likely to be required in the foreseeable future. In addition, there are no effects of climate-related matters reflected in judgements and estimates applied in the financial statements.

Our approach to scenario analysis

We have used scenario analysis to improve our understanding of the behaviour of certain risks under different climate outcomes, which helps to assess the resilience of the business to climate change. The Group used two scenarios for analysis of transition risks and opportunities, with a horizon of 2040. These scenarios, derived from the International Energy Agency (IEA) are more descriptive and therefore especially useful for modelling more positive climate forecasts.

- **Net-Zero 2040 (NZE)** an ambitious scenario which sets out a narrow but achievable pathway for the global energy sector to achieve net zero CO_2 emissions by 2040. This meets the TCFD requirement of using a 'below 2°C' scenario and is included as it informs the decarbonisation pathways used by SBTi, which validates corporate net zero targets and ambition.
- **Stated Policies Scenario (STEPS)** a scenario which represents the roll forward of already announced policy measures. This scenario outlines a combination of physical and transitions risk impacts as temperatures rise by around 2.5°C by 2100 from pre-industrial levels, with a 50% probability. This scenario is included as it represents a base case pathway with a trajectory implied by today's policy settings.

Task Force on Climate-Related Financial Disclosures Report continued

Additionally, the Group has used four climate-related scenarios for our physical risk assessment, which are the default scenarios in the Location Risk Intelligence software, modelled by the Intergovernmental Panel on Climate Change (IPCC).

- **RCP 2.6[1]:** A climate-positive pathway, likely to keep global temperature rise below 2°C by 2100. CO_2 emissions start declining by 2020 and go to zero by 2100.
- **RCP 4.5:** An intermediate and probably baseline scenario more likely than not to result in global temperature rise between 2°C and 3°C, by 2100 with a mean sea level rise 35% higher than that of RCP 2.6. Many plant and animal species will be unable to adapt to the effects of RCP 4.5 and higher RCPs. Emissions peak around 2040, then decline.
- **RCP 7.0:** Consists of a baseline outcome rather than a mitigation target, and represents the medium-to-high end of the range of future emissions and warming resulting from no additional climate policy.
- **RCP 8.5:** A bad case scenario where global temperatures rise between 4.1–4.8°C by 2100. This scenario is included for its extreme impacts on physical climate risks as the global response to mitigating climate change is limited.

Assumptions and limitations

Where appropriate, scenarios were supplemented by additional sources that are specific to each risk. We note that scenario analysis involves a range of assumptions and limitations applicable to both physical and transition risks, including:

1. Scenarios often only provide high level global and regional forecasts;
2. Not all risks are easily subject to scenario analysis; Scenario analysis requires analysis of specific factors and modelling them with fixed assumptions;
3. It is assumed that S4Capital will have the same carbon footprint and the same business activities in the future as are in place today;
4. Impacts are to be considered in the context of the current financial performance and prices;
5. Impacts are assumed to occur without the Group responding with any mitigation actions, which would reduce the impact of risks;
6. Impacts are modelled to occur in a linear fashion, when in practice dramatic climate-related impacts may occur suddenly after tipping points are breached; and
7. The analysis considered each risk and scenario in isolation, when in practice climate-related risks may occur in parallel as part of a wider set of potential global impacts.

Carbon pricing was informed by the Global Energy Outlook 2024 report from the International Energy Agency (IEA).

Risks, opportunities and impacts

For the relevant risks below, we have determined quantifiable impacts where the underlying data is available and where the current understanding of the risk is robust. Scenarios have been supplemented with additional sources that are specific to each risk to inform any assumptions included in projections. Having assessed the behaviour of these risks under different scenarios, we are satisfied that our risk mitigation strategies and action plans provide sufficient financial resilience to climate change.

Four key climate transition risks, and two physical climate risks have been identified. These risks have been assessed in isolation and categorised as low impact. The resilience of S4Capital to climate-related risks was undertaken across all sites and operations. The entire value chain was assessed for transition risks. However, a physical risk assessment of suppliers was not conducted due to the nature of the supply chain, which is highly diversified, making any climate-related physical risks in the value chain extremely limited.

The Group acknowledges that the cumulative impact could be greater if more than one of these risks were to manifest at the same time.

Physical risk assessment

Towards the end of the year, the Group conducted a site-specific physical climate risk assessment with external consultants using Munich Re's Location Risk Intelligence tool. This geospatial natural hazard software enabled more detailed analysis of individual sites' exposure to a range of climate-related hazards under different scenarios and time horizons. Hazards assessed in the year included:

- River flooding
- Tropical cyclones
- Storm surges
- Fire weather stress
- Drought stress
- Heat stress
- Precipitation stress
- Cold stress
- Sea level rise

While the Group's overall exposure to physical climate risks was limited, the risk assessment did identify exposure to fire weather stress and precipitation stress across the Group's locations. However, these risks are mitigated by the ability of the vast majority of employees to work remotely, our diversified portfolio of offices with short-term leases across the world, insurance recovery in the event of natural disasters and flexibility to relocate from potentially hazardous areas which provides strong resilience even under a severe global warming scenario.

Note:
1. IPCC (2014), Climate Change 2014: AR 5 Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change.

Task Force on Climate-Related Financial Disclosures Report continued

Transition risk	Emerging regulatory risk and reporting requirements	Reputational risk	Carbon pricing in own operations
Risk description	Sustainability regulations are consolidating. The pace and complexity of sustainability regulatory change in our key markets presents a risk of non-compliance if appropriate internal controls are not maintained.	Clients incorporate sustainability requirements into their tenders and require supplier carbon assessments. Many clients consider sustainability criteria including ESG framework scores in RFI/RFP process. Failure to meet the Group's recently approved SBTi targets could cause reputational damage.	Cost of carbon is expected to rise. Abrupt increases to carbon prices during a disorderly transition to net zero may cause a particularly significant financial shock, if unmitigated.
Type	Transition (current and emerging regulation)	Transition (emerging regulation)	Transition (emerging regulation)
Area	Own operations	Downstream	Own operations
Financial impact	Revenue and operational costs	Revenue	Operational costs
KPIs	▪ Timely reporting of relevant regulations	▪ External ESG ratings (e.g. EcoVadis, B Corp) ▪ Total GHG emissions	▪ Scope 1 and 2 emissions
Mitigation and response	▪ Creation of ESG SteerCo with executive oversight and ESG Working Group with individual data owners ▪ Group ESG Reporting Lead with ESG experience ▪ Implementation of ESG software	▪ Creation of ESG SteerCo with executive oversight ▪ Implementation of ESG software ▪ Group ESG Reporting Lead with ESG experience ▪ Implementation of transition plan	▪ SBTi targets to reduce Scope 1 and 2 emissions 42% by 2030 and 90% by 2040 from 2022 ▪ Purchase of renewable electricity ▪ Implementation of transition plan
Time horizon	Short-medium	Short-medium	Long
Likelihood	Likely	Likely	Unlikely
Impact	Low	Low	Low

Task Force on Climate-Related Financial Disclosures Report continued

Opportunities	Access to new markets	Development and/or expansion of low emission services	Carbon reduction initiatives
Opportunity description	New lines of business related to sustainability, such as expanding sustainability consultancy/advisory work, represents an opportunity to capitalise on growing climate awareness among clients. Continue to expand sustainable production solutions for clients.	Enhancing environmental credibility through improved practices and transparency of reporting may lead to new revenue opportunities from Purpose-driven clients.	Reducing energy consumption and carbon emissions through various initiatives across the Group's office portfolio may lead to reduced costs and lower exposure to carbon pricing.
Area	Own operations	Own operations	Own operations
Financial impact	Increased revenues resulting from increased demand for sustainable products and services	Increased revenues resulting from increased demand for sustainable products and services	Reduces operational costs
KPIs	Revenue from For Good projects	Revenue from Purpose-driven clients	Scope 1 and 2 emissions
Adaption and response	• Integrate sustainability solutions more systematically into client work • Continuous focus on innovation	• Increasing our revenue from Purpose-driven clients • Monks certified B Corp since August 2024 • Seek to reduce emissions from digital products and shoots wherever possible	• Implementation of transition plan • Greening of procured electricity mix through Renewable Energy Certificates (RECs) and consideration of Power Purchase Agreements (PPAs), with all offices to use renewable electricity by 2040 • Investment in resource and energy efficiency, including LED lighting, refrigeration, insulation and climate control systems • Targeting 100% renewable vehicle fleet by 2030 • Travel policy to promote more sustainable business travel
Time horizon	Short-medium	Short-medium	Medium-long
Impact	Low	Low	Low
Likelihood	More likely than not	Likely	Likely

Task Force on Climate-Related Financial Disclosures Report continued

Metrics and targets

The Group established climate change targets ten years ahead of the UK Government's commitment to achieving net zero by 2050. We report on our Scope 1, 2 and 3 emissions in accordance with the Greenhouse Gas Protocol, including emissions intensity and energy consumption metrics. For Scope 3, which constitutes the majority of our total emissions footprint, we have analysed all 15 categories and identified six material categories for reporting: Purchased goods and services; Capital goods; Fuel- and energy-related activities (not included in Scope 1 and 2); Waste generated in operations; Business travel; and Employee commuting.

In June 2024, our Science-Based Targets were validated, including commitments to:

- Reduce absolute Scope 1 and 2 greenhouse gas emissions by 42% by 2030 from a 2022 base year.
- Reduce absolute Scope 3 greenhouse gas emissions by 25% by 2030 from a 2022 base year.
- Achieve a 90% reduction in absolute Scope 1, 2 and 3 emissions by 2040 from a 2022 base year.

Please refer to pages 30 and 92 for progress on our Science-Based Targets and other targets.

Various actions are planned or underway to support these targets, which were detailed in our Group transition plan. We are committed to neutralising any residual emissions by 2040 with removals to reach net zero emissions, in compliance with the SBTi's net zero standard.

Meeting Scope 1 and 2 targets will involve initiatives such as improving electricity efficiency, collaborating with landlords to switch to renewable energy, transitioning to less polluting refrigerant systems, and purchasing Renewable Energy Guarantees of Origin (REGOs) or RECs as interim solutions.

For Scope 3 targets, we will enhance data collection processes across the Group, focusing on accurately recording purchased goods and services and detailed employee commuting data, along with increased engagement with our suppliers. Business travel and employee commuting emissions are prioritised within our transition plan. We will enforce our Group business travel and expenses policy, which considers transport carbon intensity, to mitigate business travel emissions. Additionally, we will encourage employees to adopt lower-carbon commuting methods, such as public transport, walking, cycling and transitioning personal vehicles to hybrid or electric options.

While we acknowledge the recommendation to integrate an internal carbon price, we currently consider it unnecessary and immaterial to our operations, as the Group is not carbon intensive. We will keep this approach under review for future large capital expenditures and investment evaluations.

Non-financial and sustainability information statement

This section of the Strategic Report constitutes the Group's Non-financial and sustainability information statement for the purposes of sections 414CA and 414CB of the Companies Act 2006. The informed listed below is incorporated by reference.

Reporting requirement	Policies	References
Climate-related financial disclosures	This relates to S4Capital's compliance with the TCFD recommendations, Listing Rule LR 14.3.27R, and relevant provisions of the Companies Act 6.	These are included in our TCFD Report, starting on page 43
Environmental matters	Approved SBTi emission reduction targets; Yearly GHG emission disclosure; TCFD statement.	Starting on page 30
Employees	Global Code of Conduct; Anti Financial Crime Policy; Speak Up Policy; Equal Opportunity Employment Statement; Health and Safety Standards; Employee Empowerment; Acceptable Use Policy; Information Sensitivity Policy; General Information Security Policy; Anti Hate Statement; Conflict of Interest Policy; Global AI Policy; Global Travel and Expense Policy; Remote Working Policy; Information Security and Privacy Policies; Anti-Misconduct Policy; Social Media Acceptable Use Policy.	Policies can be found on S4Capital and Monks websites
Human rights	Modern Slavery Act 2015 slavery and human trafficking statement; Global Code of Conduct; Anti Financial Crime Policy; Accessibility Statement.	S4Capital and Monks websites
Social matters	Global Code of Conduct; Anti Financial Crime Policy; Share Dealing Code; Anti Hate Statement; Information Security and Compliance; Ethical Marketing Policy; Armed Forces Covenant; Global Supplier Code of Conduct.	S4Capital and Monks websites
Anti-corruption and anti-bribery	S4Capital has zero tolerance for any form of bribery or influence peddling. We comply with the anti-bribery and corruption laws of the countries where we operate, as well as those that apply across borders.	This statement is included in our Global Code of Conduct and Anti Bribery and Corruption Policy
Description of principal risks and impact of business activities	The S4Capital Enterprise Risk Management Policy outlines the governance processes and policies we have established to consistently manage sustainability risks and opportunities across the organisation.	This is included in our TCFD Report, starting on page 43 and Principal risks and uncertainties starting on page 19
Description of the business model	Reflected in our business model.	Pages 5 to 6
Non-financial KPIs	Performance KPIs align with our ESG strategy and include a range of financial and non-financial metrics across three ESG pillars: People Fulfilment, Our Responsibility to the World and One Brand.	Pages 30 to 42

Human rights

Respect for human rights is a fundamental principle for S4Capital. We take seriously our responsibility to conduct business in an ethical way. Monks has been a member of the United Nations Global Compact (UNGC) since 2012. The UNGC is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles.

Anti-slavery and human trafficking

S4Capital does not tolerate modern slavery. We are committed to assess and address any modern slavery risks that may arise in the course of our business. As part of this commitment, we are implementing a Supplier Code of Conduct and seeking to educate our people on the risks, and mitigations. This helps us identify and manage slavery and human trafficking risk in accordance with the principles of the Modern Slavery Act 2015 and related guidance.

Anti-bribery

S4Capital has zero tolerance for any form of bribery or influence peddling. We aim to comply with the anti-bribery and corruption laws of the countries we operate in and those that apply across borders. We do not offer, pay, or accept bribes or kickbacks for any purpose, either directly or through a third party. We do not make facilitation payments or permit others to make them on our behalf.

Whistleblowing policy

Key values of S4Capital are integrity and responsibility – which link to our Core Principles of Authenticity, Integrity and the highest Ethical Standards in our business dealings. These apply in all our dealings within Monks, working with clients, suppliers and in our communities. Employees' concerns are important to the Group and we encourage all of our people to take advantage of the Speak Up Policy.

Section 172(1) statement

Addressing the needs of our stakeholders

Section 172(1) of the Companies Act 2006 requires the Directors to act in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In doing so, Section 172(1) requires the Directors to have regard, amongst other matters, to the:

- likely consequences of any decision in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, clients and others;
- impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the Company.

In discharging our Section 172(1) duties the Directors have regard to the above factors and any other factors which we consider relevant to the decision being made. We acknowledge that every decision we make will not always result in a positive outcome for all our stakeholders. However, by considering the Company's purpose, mission, values and strategic objectives, and having a process in place for decision making, we aim to ensure that our decisions are considered and proportionate.

Further details on how the Board operates and reflects stakeholder views in its decision making are set out in the Corporate Governance Report on pages 58 to 103.

Engagement with stakeholders

Our stakeholders

Building strong, constructive relationships and engaging regularly are key to ensuring we understand what matters to our stakeholders. Our broad range of stakeholders, representing different and often competing interests, bring informative and diverse perspectives to our decision making. Incorporating those perspectives into our decision making is a vital part of the execution of our long-term strategy. Our clients, our people and our shareowners are our key stakeholder groups, along with our communities and our suppliers (including our lenders).

The Board recognises that engagement with the Company's stakeholders is critical to the success of the business in realising this mission. The Directors continue to have regard to the interest of our people and the Company's other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation when making decisions. We recognise that promoting the long-term sustainability and success of the Company is intertwined with creating value for, and engagement with, our stakeholders. It is rightfully, therefore, at the core of our business.

Information provided by management is shared with the Board and direct engagement with stakeholders takes place throughout the year. Stakeholder considerations are taken into account as discussions at meetings of the Board and its Committees, as well as informally in the day-to-day activities of the business.

Overleaf we set out who we consider to be our principal stakeholders, including information on our methods of engagement with them, and the impact of such engagement on the Company's decisions and strategies. The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with Section 172(1) of the Act. Our intention is to behave responsibly and ensure that management operates the business in a responsible manner, operating within the high standards of business conduct and good governance expected of us.

Section 172(1) statement continued

What are the **key interests** of our stakeholders?

Our clients

We facilitate the provision of first-party data to fuel creative content and digital media planning and digital content, the design and development of digital creative content and provision of programmes to allow our clients to efficiently plan and deliver audience-focused campaigns.

Our people

Creating a positive environment for our people that encourages and supports personal development and career progression through impactful programmes and opportunities, flexible and agile working, and a strong commitment to inclusion and diversity.

Our suppliers

A productive and fair working relationship through collaboration, innovation and shared values.

Our communities and the environment

Creation of social value, supporting sustainability initiatives and community education.

Our shareowners

Robust financial accounts, sustainable long-term growth in the Company and its share price, sound investment and combination decisions and effective communication of strategy.

Section 172(1) statement continued

Our clients

- Our mission for S4Capital is driven by engagement with our clients and our mantra of 'speed, quality, value and more, with AI'.
- We have combined best-in-class practices, promoting alignment, an integrated service offering and emphasising transparency to clients.

How we engage

- We work alongside our clients on a day-by-day, hour-by-hour basis, helping them communicate with their audiences in a continuous loop.
- We continuously evolve how we communicate and deliver our services based on client feedback.
- We co-locate or embed our people, which not only facilitates clear communication, collaboration and teamwork, but also leaves a light environmental footprint.
- We continuously focus to implement (more) sustainable solutions throughout our processes and advise our clients on the next best solution in our industry.

How the Board engages

- Our executive leadership team, regional leadership and client/growth leaders provide updates to the Board regarding key markets, clients and new business opportunities.
- Senior client executives present directly to the Board, giving their perspective on client agency relationships and opportunities.

Outcomes

- We continue to build our existing and new client base, with significant assignments from some of the world's top companies and at a local level. Our retention and new business rates are strong, often boosted by cross-practice pitches and referrals.

Our people

- Our people are central to our business. They play a significant role in the delivery of our strategy and the future growth of our business.
- We recognise the importance of attracting, developing and retaining the best talent, and the need to provide a safe and inclusive environment where individuals can thrive.

How we engage

- Our unitary structure, with a single P&L, gives our people a sense of common values, shared goals and a collaborative spirit.
- We have an active internal communications programme to keep our people engaged and informed on Group strategy, progress and development. This includes regular All-Hands meetings and team briefings on matters important to our global talent pool and a weekly 'State of our One Nation' email from the Executive Chairman to all Monks.
- We provide programmes to support connection and development, fostering a culture of collaboration and growth.
- We conduct regular employee surveys and use this feedback to improve our performance and culture and make the results part of our materiality analysis.
- Our culture is one of openness and transparency, where everyone has a voice and is free to raise questions and issues of concern.

How the Board engages

- Our Non-Executive Directors collectively share responsibility for employee engagement and report to the Board on their findings.
- In addition, Miles Young has been designated as the Independent Non-Executive Director responsible for overseeing culture.
- The Board receives updates from our Global Chief People Officer on communication activities with our people.
- The Nomination and Remuneration Committee reviews diversity initiatives across the Group and senior leadership succession plans.

Outcomes

- Launched in 2023, Accelerate.Monks is our global training and educational programme, operating across all regions and job levels. In 2024 over 800 Monks increased their business acumen and industry knowledge through the programme. Over six months, our people learn leadership, presentation skills, business process modelling, and more. Monks who participated for the full programme duration received a certification.
- Our community groups are set up internally by Monks to support and learn from one another, and are actively promoted to advance the understanding and inclusion of Monks with common life experiences, including Pride.Monks, Enable.Monks, Melanin.Monks, Cultura.Monks, Caregiver.Monks, APINH.Monks and WoMMen in Tech. Community groups address the topics that really matter to our people, and they are fully supported by executive leadership. Further information is available on page 42.
- We continue to run our S4 Women's Leadership and S4 Fellowship Programs aimed at developing our female leaders, and fostering the next generation of talent by empowering students from traditionally under-represented communities, respectively.

Section 172(1) statement continued

Our suppliers

- We rely on suppliers to help deliver our services to clients and maintain our productivity, as well as helping to make our supply chain as sustainable and diverse as possible.
- Strong relationships with suppliers can bring innovative approaches and solutions that create shared value.

How we engage

- We ask our suppliers to commit to upholding the principles of our Global Code of Conduct, including fundamental standards on human rights, modern slavery and the prevention of financial crime.
- We aim to have a fair and transparent relationship with our suppliers and partners through regular dialogue and annual surveys on performance and ESG matters.
- We comply with non-financial or supplier diversity reporting frameworks like EcoVadis, CDP and UniTier for transparency in reporting.

How the Board engages

- The Board approved our Sustainable Procurement Policy.

Outcomes

- We build and maintain collaborative, long-term relationships with our suppliers.

Our communities and the environment

- The Board recognises and supports the continuing focus on ESG and sustainability, especially on the environment and climate change, and aims to operate in a sustainable and responsible way, while delivering value for shareowners.

How we engage

- Our businesses and people support local initiatives through donated hours and money, or physical efforts though charity runs or cycles. We continue to connect with diverse talent from middle school to university students, through education and engagement.
- We contribute to society by actively sharing our talents, digital expertise and thought leadership and offering it to NGOs, social initiatives and charity projects.

How the Board engages

- The Board has oversight of our ESG strategy.
- ESG-related targets are included in the Group's annual performance targets, which are linked to the annual bonus.
- Mary Basterfield, an Executive Director, and Miles Young, an Independent Non-Executive Director, together champion our sustainability efforts. More information on our sustainability and ESG activities is available on pages 26 to 56 and in the Monks annual ESG Report.

Outcomes

- We have continued our S4 flagship programmes in 2024.
- Our Science-Based Targets were accredited and approved, reinforcing our commitment to measurable emissions reductions.
- We made charitable donations totalling £78,136 in 2024.
- Beyond financial contributions, we actively encourage and support our people in giving back to their communities through volunteer work. In 2024, we have recorded 3,184 hours of volunteer service, a significant increase compared to 2023.
- The S4 Forest, our carbon offsetting and reforestation initiative, has now planted a total of 506,322 trees over the last four years.

Section 172(1) statement continued

Our shareowners

- We recognise the importance of providing all of our shareowners with regular updates on our operations, financial performance and ESG activities. Engagement with shareowners gives us a broad insight into their priorities, which influences our own decision making and our strategic direction. The ongoing support of our shareowners during 2024 is something that we continue to value greatly.

How we engage

- We maintain regular contact with our shareowners through a comprehensive investor relations programme of conferences, roadshows and meetings, predominantly led by our Executive Chairman, Group Chief Financial Officer and Chief Growth Officer.
- After each quarterly results announcement, we have held extensive roadshows with investors.
- All our investor presentations, reports and earnings calls are available on the S4Capital website.

How the Board engages

- Our AGM provides the opportunity for our private shareowners to hear from and engage directly with the Board.
- During 2024, the Executive Chairman, Group Chief Financial Officer and Chief Growth Officer held over 200 meetings, in person and virtually, to engage with institutional investors and analysts. More information is available on pages 73 and 74.

Governance Report

4

Corporate governance statement of compliance

During the year, the Board has voluntarily complied with the UK Corporate Governance Code (the Code) which was issued by the Financial Reporting Council in 2018.

The Board confirms that, for the year under review and to the date of this report, the Company has applied all of the principles of the Code. However, it did not comply in full with Provisions 9, 36 and 37, as further described on page 59. This report, together with the reports from the Audit and Risk Committee and the Nomination and Remuneration Committee, and the other statutory disclosures, provides details of how the Company has applied the provisions of the Code (pages 75 to 100).

The following table outlines how we have structured the governance section of this Annual Report and Accounts around the Code.

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Corporate governance statement of compliance continued

Non-compliance

Provision	Explanation
9. The chair should be independent on appointment when assessed against the circumstances set out in Provision 10. The roles of chair and chief executive should not be exercised by the same individual. A chief executive should not become chair of the same company. If, exceptionally, this is proposed by the Board, major shareholders should be consulted ahead of appointment. The board should set out its reasons to all shareholders at the time of the appointment and also publish these on the company website.	The Board recognises that Sir Martin Sorrell's position as Executive Chairman, which he has held since the Group's foundation, exercising the roles of both Chairman and Chief Executive Officer, is a departure from the Code. Sir Martin has been a leading figure in the marketing and communications services industry for over 40 years and the Board acknowledges that his expertise, knowledge and global network of relationships are an unparalleled advantage to the Group. In light of this, the Board, in particular through the work of its Nomination and Remuneration Committee, regularly assesses the appropriateness of this arrangement and will continue to do so and recommend changes, as appropriate. The Independent Non-Executive Directors have concluded that the position remained appropriate for the year under review. **Control enhancements** ▪ Governance structure reviews – The Independent Non-Executive Directors meet regularly in private sessions, chaired by the Senior Independent Director. The meeting includes consideration of the appropriateness of the governance structure and safeguards for shareowners. ▪ The Chairs of the Board Committees, all of whom are Independent Non-Executive Directors, dedicate a significant amount of time in the oversight of the functions that report to each respective Committee and have in-depth relationships with relevant executives.
36. Remuneration schemes should promote long-term shareholdings by executive directors that support alignment with long-term shareholder interests. Share awards granted for this purpose should be released for sale on a phased basis and be subject to a total vesting and holding period of five years or more. The Remuneration Committee should develop a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares.	The Board acknowledges that the grant of shares to the Group Chief Financial Officer spans a four-year period. The use of an overall four-year performance period for most of the award, structured as successive one-year periods rather than the standard three-year period, recognises that, as S4Capital continues to grow and evolve, each of the four years is critical. This approach was also designed to be competitive in the context of the international markets in which the Company operates, where performance and vesting periods can be shorter than the UK norm.
37. Remuneration schemes and policies should enable the use of discretion to override formulaic outcomes. They should also include provisions that would enable the company to recover and/or withhold sums or share awards and specify the circumstances in which it would be appropriate to do so.	While the Nomination and Remuneration Committee cannot override the formulaic outcome of the Incentive Share Scheme (A1/A2 shares), the Board believes that the scheme is aligned with the wider shareowner experience due to the long-term nature of the scheme. Furthermore, the participants only receive benefits once shareowners have experienced significant growth in the value of their investment.

Leadership: Board of Directors

We are guided by **strong leadership**

Sir Martin Sorrell

EC

Executive Chairman
Appointed: 28 September 2018
Nationality: British

Sir Martin was Founder and 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. When Sir Martin left in April 2018, WPP had a market capitalisation of over £16 billion and revenues of over £15 billion.

Sir Martin supports a number of leading business schools and universities, including his alma maters, Harvard Business School and Cambridge University, and a number of charities, including his family foundation. He has been nominated as one of the TIME 100: The Most Influential People and received the Harvard Business School Alumni Achievement Award.

Key skills

- Corporate governance
- Legal and regulatory
- Corporate transactions
- Finance
- Risk and compliance
- Global media, marketing and advertising
- Strategy and M&A
- Technology
- ESG
- Organisational design and corporate culture

Current external appointments

- Director, Bloomberg Philanthropies

Mary Basterfield

EC

Group Chief Financial Officer
Appointed: 3 January 2022
Nationality: British

Prior to joining S4Capital, Mary was Group Finance Director at Just Eat PLC, where she led the Finance team through the class 1 merger with Takeaway.com. Her experience spans e-commerce, media, strategy and financial management of businesses undergoing rapid growth and change.

Mary's previous roles include CFO at UKTV and CFO for Hotels.com at Expedia Group Inc. She began her career in the music industry and held senior finance positions at Warner Music and Sony Music.

Key skills

- Finance
- Strategy and M&A
- Corporate governance
- Corporate transactions
- Risk and compliance
- Technology
- Organisational design and corporate culture

Current external appointments

- None

Committee membership: AR Audit and Risk Committee NR Nomination and Remuneration Committee EC Executive Committee * Denotes Chair of Committee

Leadership: Board of Directors continued

Elizabeth Buchanan

Independent Non-Executive Director
Appointed: 12 July 2019
Nationality: Australian

Elizabeth is Chief Commercial Officer of Rokt, the leading global ecommerce technology company.

A proven tech and business leader with a bias for action, Elizabeth has spent more than 25 years in technology, marketing and advertising.

Key skills

- Finance
- Global media, marketing and advertising
- Strategy and M&A
- Technology
- ESG
- Information security, cyber security, privacy
- Organisational design and corporate culture

Current external appointments

- Board member of NGO Vital Voices Global Partnership
- Chief Commercial Officer, Rokt

Colin Day

AR*
NR

Independent
Non-Executive Director
Appointed: 3 August 2022
Nationality: British

Colin brings significant experience in financial, management and governance roles including Non-Executive Chairman of Premier Foods plc, Chief Executive of Essentra plc and 15 years of experience as Chief Financial Officer of both Reckitt Benckiser plc and Aegis plc.

He has served as a Non-Executive Director on the boards of major UK-listed businesses including Amec Foster Wheeler, WPP, Cadbury, Imperial Brands, Meggitt, Euromoney Institutional Investor and easyJet.

Key skills

- Corporate governance
- Legal and regulatory
- Corporate transactions
- Finance
- Risk and compliance
- Strategy and M&A
- ESG
- Information security, cyber security, privacy
- Organisational design and corporate culture

Current external appointments

- Chair of Premier Foods Plc
- Non-Executive Director, Cranfield University
- Non-Executive Director, FM Global

Rupert Faure Walker

AR
NR

Senior Independent
Non-Executive Director
Appointed: 28 September 2018
Nationality: British

Rupert qualified as a Chartered Accountant with Peat Marwick Mitchell in 1972. He joined Samuel Montagu in 1977 to pursue a career in corporate finance. Over a period of 34 years, Rupert advised major corporate clients on mergers, acquisitions, IPOs and capital raisings, including advising WPP on its acquisitions of JWT, Ogilvy & Mather and Cordiant, together with related funding. He was appointed a director of Samuel Montagu in 1982 and was Head of Corporate Finance between 1993 and 1998.

He was a Managing Director of HSBC Investment Banking until his retirement in 2011.

Key skills

- Corporate governance
- Legal and regulatory
- Corporate transactions
- Finance
- Risk and compliance
- Strategy and M&A

Current external appointments

- Trustee of the Landisdale Almshouses and the Hospital and Homes of St Giles

Committee membership: AR Audit and Risk Committee NR Nomination and Remuneration Committee EC Executive Committee * Denotes Chair of Committee

Leadership: Board of Directors continued

Margaret Ma Connolly

Independent
Non-Executive Director
Appointed: 10 December 2019
Nationality: American and Chinese

Margaret is President and CEO of Asia, Informa Markets, overseeing its businesses in mainland China, Hong Kong, Japan, Korea, Singapore, Thailand, Indonesia, Malaysia, Vietnam, the Philippines and Cambodia, a portfolio of more than 200 brands, which include industry-leading exhibitions and digital services across 11 countries and regions. Margaret joined UBM in 2008, before its combination with Informa in 2018.

In the last 16 years, she spearheaded multiple milestones in key market sectors and has successfully grown the business through organic development and strategic partnerships, including 26 equity joint ventures. Prior to this, she held senior positions at TNT (now FedEx) and Global Sources (now Clarion Events). Margaret is a member of WomenExecs on Boards (WEoB) and National Association of Corporate Directors (NACD). She received an MBA degree from Oxford Brookes Business School with Corporate Director Certificate from Harvard Business School.

Key skills

- Corporate governance
- Legal and regulatory
- Finance
- Risk and compliance
- Strategy and M&A
- Technology
- ESG
- Information security, cyber security, privacy
- Organisational design and corporate culture

Current external appointments

- President and CEO of Asia, Informa Markets

Daniel Pinto

Independent
Non-Executive Director
Appointed: 24 December 2018
Nationality: French and British

Daniel Pinto is the Founder, Chairman and CEO of Stanhope Capital Group, the global investment management and advisory group overseeing approximately US$40 billion of client assets. He has considerable experience in asset management and merchant banking having advised prominent families, entrepreneurs, corporations and governments for over 25 years.

Formerly Senior Banker at UBS Warburg in London and Paris concentrating on mergers and acquisitions, he was a member of the firm's Executive Committee in France. He was also Chief Executive of a private equity fund backed by CVC Capital Partners. Daniel founded the New City Initiative, a think tank comprised of the leading independent UK and European investment management firms. He is the author of Capital Wars (Bloomsbury 2014), a book which won the prestigious Prix Turgot (Prix du Jury) and the HEC/Manpower Foundation prize.

Key skills

- Corporate governance
- Corporate transactions
- Finance
- Strategy and M&A

Current external appointments

- Director of Soparexo (Holding of Chateau Margaux)
- Chairman and CEO of Stanhope Capital Group

Sue Prevezer KC

AR NR*

Independent
Non-Executive Director
Appointed: 14 November 2018
Nationality: British

Sue is a qualified solicitor and barrister at Brick Court Chambers, where she practices as an arbitrator and mediator and provides advice to commercial clients. She has over 30 years of experience of arguing and managing large complex commercial cases at every level of the UK judicial system and in arbitration.

From 2008–2020, Sue was Co-Managing Partner of law firm Quinn Emanuel Urquhart & Sullivan (UK) LLP where her clients included major corporates, funds, investors, trustees, office holders and high net worth individuals, for whom she managed complex, high value, domestic and international litigation. Sue has particular expertise in company, insolvency-related, securitisation and restructuring litigation. She moved back to the Bar in 2020.

Key skills

- Corporate governance
- Legal and regulatory
- Corporate transactions
- Risk and compliance
- Strategy and M&A
- Organisational design and corporate culture

Current external appointments

- Chair of the Trustees of The Freud Museum
- Director at the Hampstead Theatre
- Non-Executive Director, BLOC Ventures Holding

Committee membership: AR Audit and Risk Committee NR Nomination and Remuneration Committee EC Executive Committee * Denotes Chair of Committee

Leadership: Board of Directors continued

NR

Miles Young

Independent Non-Executive Director
Appointed: 1 July 2020
Nationality: British

Miles spent almost 35 years at Ogilvy, ultimately as its global Chairman and CEO. He is currently the Warden of New College at Oxford University.

Miles joined what was then the 'advertising' business from Oxford in 1973, eventually moving to Ogilvy & Mather. After a period in the Asia-Pacific region based in Hong Kong, and working especially in China, he moved to New York in 2008 as Chief Executive, then Chairman of Ogilvy & Mather Worldwide. From then until 2016 Miles led a period of strong client growth and creative success.

In 2016, Miles returned to his Alma Mater of New College in Oxford, where he is Warden. He is President of the Oxford Literary Festival and Chair of the Oxford Bach Soloists, amongst other voluntary activities.

Miles is actively engaged in ESG efforts, maintaining oversight of S4Capital's ESG performance and instrumental in the development of disruptive and innovative ESG initiatives.

Key skills

- Corporate governance
- Risk and compliance
- Global media, marketing and advertising
- ESG
- Information security, cyber security, privacy
- Organisational design and corporate culture

Current external appointments

- Warden of New College, Oxford University

EC

Board support

Caroline Kowall

General Counsel, Head of Compliance and Company Secretary

Caroline spent over a decade in-house gaining broad and extensive experience at large, complex asset managers. She joined S4Capital in June 2022 from the Canada Pension Plan Investment Board (Toronto and London) where she was a senior member of the legal and compliance teams.

Caroline was in private practice earlier in her legal career at Ashurst and Milbank in the City of London. She obtained her legal degrees and masters in France and the UK and is qualified to practice law in England and Wales and Ontario, Canada.

Committee membership: AR Audit and Risk Committee NR Nomination and Remuneration Committee EC Executive Committee * Denotes Chair of Committee

Leadership: Executive Committee

Wesley ter Haar

Chief AI and Revenue Officer
Nationality: Dutch

Wesley is Co-Founder of Media.Monks, and former Chief Operating Officer of the legacy Media.Monks brand.

Wesley co-founded Media.Monks in 2001 to focus on craft and creativity in digital, working tirelessly to grow that company into a creative production powerhouse with global reach and recognition that merged with S4Capital in 2018.

Scott Spirit

Chief Growth Officer
Nationality: British

Scott joined S4Capital from artificial intelligence company Eureka, where he continues to serve as a board member and adviser. Previously, Scott spent almost 15 years at WPP in various roles in London, Shanghai and Singapore and was ultimately the Global Chief Strategy and Digital Officer.

In 2006 Scott moved to China and oversaw a period of rapid growth and multiple acquisitions, responsible for WPP´s corporate strategy and growth agenda. Scott was also a director of Nairobi-listed WPP-Scangroup PLC. Prior to WPP, Scott worked at Deloitte and Associated Newspapers.

James Nicholas Kinney

Global Chief People Officer
Nationality: American

James Nicholas Kinney is a seasoned Chief People Officer with a track record of leading two billion-dollar organisations and overseeing 30,000 employees across 40 countries. He brings deep cross-functional expertise in people and operations and is recognised as a people transformation and culture expert across various business industries.

James is a member of the Forbes Human Resources Council, and he also holds a certification in AI business strategy from MIT.

Jean-Benoit Berty

Group Chief Operating Officer
Nationality: French

Prior to joining the Group, Jean-Benoit was a Senior Partner at Ernst & Young for approximately 18 years, where he held various leadership roles, including being the Technology, Media and Telecommunications Leader, Head of Industries and part of the original management team to build the Consulting practice.

Jean-Benoit has also spent the last 12 years at EY advising boards and management teams in the advertising and media industry on strategic and operational initiatives. His experience spans across strategic growth; commercial, organisational and operational effectiveness; margin improvement and enterprise-wide transformation. His previous roles include being Vice President at Capgemini Consulting and Managing Director at a couple of CRM consultancies. His 34 years in professional services spans across North America, Europe and Asia.

Bruno Lambertini

CEO, Marketing Services
Nationality: Argentinian

Bruno Lambertini is a distinguished entrepreneur and CEO of Monks' Marketing Services practice.

Bruno's journey commenced in 2005 with the founding of Circus Marketing in CDMX, a venture that rapidly expanded into a multinational enterprise spanning eight countries. By championing social-first brands, Bruno's keen discernment of emerging digital opportunities propelled Circus Marketing to the vanguard of innovation.

In 2020, Bruno arranged the pivotal merger between Circus Marketing and Media.Monks/S4Capital, a transformative moment for the company. His leadership played a pivotal role in enhancing Media.Monks' social capabilities and fostering strategic partnerships with esteemed brands. With his profound influence on the marketing and advertising sectors, he is a catalyst for industry innovation and advancement.

Sir Martin Sorrell, Mary Basterfield and Caroline Kowall are also members of the Executive Committee. Their details appear on the preceding pages.

Executive Chairman's statement

"The Board sets the tone of the Group's culture, values and behaviours"

Sir Martin Sorrell
Executive Chairman

Dear fellow shareowners,

I am pleased to present our Corporate Governance Report for the year ended 31 December 2024, which sets out how the Group's governance framework supports and promotes its long-term success and provides an overview of the Board and its Committees.

Governance framework

We voluntarily adopted the 2018 edition of the UK Corporate Governance Code (the Code) in July 2022 and since that time we have remained in compliance with the majority of its provisions, including during the year under review. In relation to the three areas where we depart from the Code, two relate to share schemes, which are finite in lifespan, and the last to my own role as Executive Chairman, which is subject to additional checks and balances. More information on our application of the Code is available on page 58.

During the year we continued to evolve our governance, risk and compliance frameworks and policies, unifying them under a Global Code of Conduct, which sets out the standards and principles for every single Monk in the organisation, including freelancers, consultants and contractors.

The Board sets the tone of Group's culture, values and behaviours, and these together with consideration of the view of all our stakeholders, drive our decision making and focus on the delivery of the long-term sustainable success of the Group.

Purpose

We are a unified, purely digital business with marketing and technology services that create transformative solutions for our clients which capitalise on the benefits of AI. See how we deliver this through our progress against our strategy and business model on pages 5 and 6, and 10 to 11.

Sustainability

The year has marked significant success for the Group in relation to our ESG efforts. The Group achieved global B Corporation Certification, underscoring our commitment to balancing profit with purpose and advancing our ESG initiatives. Furthermore, we have successfully had our Science-Based Targets initiative (SBTi) targets accredited and approved, reinforcing our commitment to measurable emissions reductions. The Group has also commenced its preparation to report against other Global frameworks such as the EU's Corporate Sustainability Reporting Directive. More information on our ESG strategy is available from page 26.

Board composition and effectiveness

A number of Directors, both executive and non-executive, stepped down from the Board at the 2024 AGM and I thank them all for their service. I am also pleased that the majority of the former Executive Directors remain with the Group and serve on the Executive Committee, and in the case of Wesley ter Haar, also a Board Observer. The Board itself is now more representative of a typical UK-listed company with two Executive Directors and the remainder Non-Executive. This ensures an appropriate balance of skills and experience, as determined by the Nomination and Remuneration Committee with reference to our formal skills matrix. The Committee also continues to monitor succession planning. Further information on the Committee's activities can be found on pages 79 and 80.

Following the year end, Mary Basterfield announced her intention to step down as Group Chief Financial Officer, and at the time of writing, the search for her successor is well underway.

The Board also conducted an internal effectiveness review in respect of its performance in 2024. Facilitated by the Company Secretary, the evaluation confirmed that the Board and its Committees were considered to be effective and identified a number of priorities and actions, which the

Executive Chairman’s statement continued

Board welcomed. Further details can be found on page 72. In 2025, an external evaluation will be undertaken.

Diversity and inclusion

Greater diversity and inclusivity, leads, in the view of the Board, to better decision making and therefore better outcomes for our people, clients and our business as a whole.

Throughout the year under review and to the date of this report, the Board has met the ethnicity-related recommendations set out in the Parker Review. With regard to the gender targets set out by the FTSE Women Leaders Review, the Board plans to continue to achieve them, whilst being mindful of Board composition. More information on our Board diversity is available on page 67.

Stakeholder engagement

The Board recognises the importance of engaging with, and considering the interests of, our shareowners in promoting the Group’s long-term success.

During the year, the Board sharpened its focus on workforce engagement, most notably with a series of events held in conjunction with Board meetings in the US and Singapore. With our Company’s geographical spread, the Board is committed to sharing the responsibility of engaging with our people amongst all our Non-Executive Directors, rather than a single designated individual. The Board believes that this approach is best suited to our organisation as it provides the Board with the broadest perspective of employee views, which each Non-Executive Director shares with the whole Board. It also allows each Committee Chair to engage directly in respect of matters their Committee is responsible for. More information on our stakeholder engagement is available from page 53.

The Company’s AGM is a key event at which the Board and I interact with shareowners, but we encourage you to share thoughts and views with us at any time during the year via our Company Secretary (cosec@s4capital.com).

Conclusion

The Board and I remain committed to high standards of governance and active dialogue with all our shareowners. As we did last year, we will again hold a physical AGM at our offices in early June 2025, with virtual attendance for those shareowners who are not able to attend in person.

I would like to thank our shareowners for their continued loyalty and support, and I look forward to seeing you at the 2025 AGM.

Sir Martin Sorrell
Executive Chairman

23 March 2025

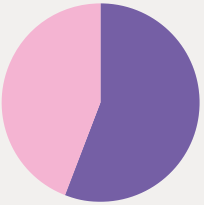
The role of the Board

Board and senior management diversity

The information included in the below graphs has been collected by self-disclosure directly from the individuals concerned, using a questionnaire requesting the individual to select their gender identity and ethnicity from a list of options of equal prominence. The gender split for all employees can be found on page 40.

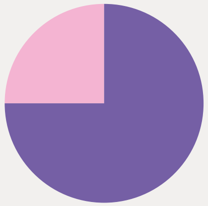
Diversity by gender

Board



Male	**56%**
Female	**44%**

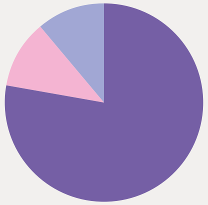
Senior management



Male	**75%**
Female	**25%**

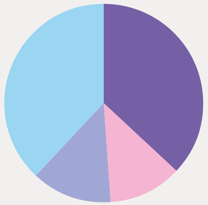
Diversity by ethnicity

Board



White	**78%**
Asian/Asian British	**11%**
Not specified /prefer not to say	**11%**

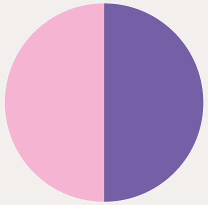
Senior management



White	**37%**
Black/African /Caribbean /Black British	**12%**
Other ethnic group, including Arab	**13%**
Not specified /prefer not to say	**38%**

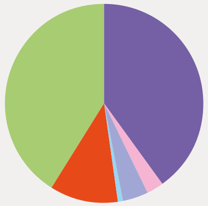
Senior management direct reports

Gender



Male	**50%**
Female	**50%**

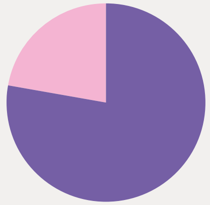
Ethnicity



White	**40%**
Mixed/Multiple ethnic groups	**3%**
Asian/Asian British	**4%**
Black/African /Caribbean /Black British	**1%**
Other ethnic group, including Arab	**11%**
Not specified /prefer not to say	**41%**

Board independence balance

Board



Independent Non-Executive Directors	**78%**
Executive Directors	**22%**

The role of the Board continued

Board and Committee attendance

The following table shows the Directors' attendance at scheduled meetings they were eligible to attend for the year ended 31 December 2024:

Board and Committee meeting attendance

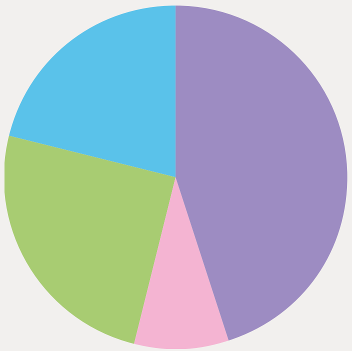
Director	Board[1]	Audit and Risk Committee	Nomination and Remuneration Committee
Total meetings	**9**	**6**	**7**
Sir Martin Sorrell	9/9	–	–
Mary Basterfield	9/9	–	–
Elizabeth Buchanan[2]	2/9	–	–
Margaret Ma Connolly[2]	5/9	–	–
Wesley ter Haar[2, 3]	4/5	–	–
Colin Day[2]	8/9	6/6	2/3
Victor Knaap[2, 3]	4/5	–	–
Christopher S. Martin[2, 3]	4/5	–	–
Naoko Okumoto[2, 3]	2/5	–	–
Daniel Pinto[2]	4/9	–	–
Sue Prevezer[2]	6/9	2/6	6/7
Paul Roy[3]	5/5	2/2	4/4
Scott Spirit[2, 3]	4/5	–	–
Rupert Faure Walker	9/9	6/6	7/7
Miles Young[2]	6/9	–	2/3

Notes:

1. There were four scheduled Board meetings during the year and five ad hoc meetings, called at shorter notice.
2. Elizabeth Buchanan, Margaret Ma Connolly, Wesley ter Haar, Colin Day, Victor Knaap, Naoko Okumoto, Daniel Pinto, Sue Prevezer, Scott Spirit and Miles Young were unable to attend some Board or Committee meetings due to pre-existing arrangements which could not be changed, primarily due to the shorter notice with which those largely ad hoc meetings had been called. Where a Director is unable to attend a meeting, their absence is usually notified to the Executive Chairman in advance of the meeting, together with any comments the individual has relating to the subjects to be discussed at the meeting.
3. Wesley ter Haar, Victor Knapp, Christopher S. Martin, Naoko Okumoto, Paul Roy and Scott Spirit resigned as Directors on 6 June 2024.

Activities of the Board during the year

Board activities



During the year, the key Board activities were:

Financial performance

- Reviewed and approved the Group's full year, interim and quarterly results, and the Group's Budget and Three-Year Plan.
- Received regular reports from the Group and practice Chief Financial Officers, including results and forecasts.
- Received updates on the activities of the Audit and Risk Committee.

Strategy and operations

- Received updates on the Monks rebranding, internal integration and restructuring activities, including the creation of the Marketing Services and Technology Services practices, and external strategy and growth.
- Received updates on the Group's AI strategy and the development and financial treatment of the Monks.Flow offer.
- Oversaw successful £2.5 million share buyback programme, funded from available cash reserves.
- Received regular reports from the Global Chief People Officer, the Chief Operating Officer, Chief Growth Officer, and from Investor Relations.

Governance and compliance

- Reviewed and approved recommendations arising from the Board's performance evaluation.
- Reviewed and approved the Board role profiles, skills matrix and composition, Committee Terms of Reference and other key Group policies including the Global Code of Conduct.
- Received updates on the Group's ESG strategies and activities, including B Corp Certification and the Corporate Sustainability Reporting Directive.
- Received updates from the General Counsel and the Head of Risks on Legal, Governance and Compliance and Risk matters, and the Chief Information Officer on the Group's IT systems and roadmap.

Practice reviews

- Received updates on the performance of each practice area (Content, Data&Digital Media, and Technology Services) or region, including financial performance and forecasting, clients, strategy and operations.

The role of the Board continued

Conflicts of interest

The Board operates a policy that restricts a Director from voting on any matter in which they might have a personal interest, unless the Board unanimously decides otherwise.

Prior to all major Board decisions, the Executive Chairman requires the Directors to confirm that they do not have a potential personal conflict with the matter being discussed. If a conflict does arise, the Director is excluded from discussions.

Internal measures are in place to ensure that any related party transaction involving Directors, or their connected parties, are conducted on an arm's length basis. Our Directors have a continuing duty to update any changes to these conflicts.

Purpose, values and culture

The Board, supported by its Committees, monitors the alignment of the Company's culture with its purpose, values and strategy. The Company's corporate culture is integral to our success, we have fostered and cultivated a culture of innovation and this feeds into how we do business. We work continuously to enhance and evolve our culture, taking into account the global nature of our communities.

Key central functions such as Legal, Finance and People develop good standards of ethical behaviour and corporate governance across the Group through our global frameworks, policies and internal controls, which are brought together via the Global Code of Conduct, which sets out the standards, principles and expectations of how the Group and its people should behave.

The Board monitors the cultural dynamics of the Group through its workforce engagement activities, which include site visits, employee surveys, regular 'Need to Know' and 'Unmuted' briefing sessions, as well as informal discussions with senior executives. Miles Young has been designated as the Non-Executive Director responsible for overseeing culture. In this role he supports the Board in establishing the tone from the top and fostering connections between the Board and senior executives in setting the appropriate culture for the Group globally.

Governance framework

The Group's governance framework consists of the Board of Directors and its Committees. Our Committees have delegated authority to operate within specified Terms of Reference, which are available on our website, www.s4capital.com/investors. In addition, certain Directors, such as the Senior Independent Director, Rupert Faure Walker, or Miles Young and Margaret Ma Connolly, designated Non-Executive Directors for overseeing culture, have specific individual responsibilities.
This framework enables the Company and its Directors to effectively discharge their duties and to comply with the UK Corporate Governance Code.

Board of Directors

The Board has responsibility for the overall leadership of the Group, setting the Group's purpose, values and strategy and satisfying itself that these align with its culture, taking into consideration the views of shareowners and other key stakeholders, to promote the long-term sustainable success of the Group. It also has responsibility for the Group's performance and governance oversight, including evaluating and managing principal risks through an effective internal controls environment.

Audit and Risk Committee

The Audit and Risk Committee ensures the governance and integrity of financial reporting and disclosures and reviews the controls in place. It oversees the internal audit function and the relationship with the external auditors, including monitoring independence, and also reviews the effectiveness of internal controls in the Group. The Committee also reviews and makes recommendations to the Board on the Group's risk appetite, risk principles and policies so the risks are reasonable and appropriate for the Group and can be managed and controlled within the limits of the Group's resources and appetite.

For more information see page 75.

Nomination and Remuneration Committee

Responsible for reviewing the balance of skills, knowledge, experience and diversity of the Board and making recommendations for Board and Committee appointments and monitoring succession plans for the Board and senior management. It is also responsible for determining the remuneration and other benefits of Executive Directors. Reviews and approves the Remuneration Policy, ensuring that it is clear, simple, and aligned to culture. Recommends and monitors overall remuneration for senior management whilst considering employee remuneration and alignment of incentives and rewards with culture.

For more information see page 79.

Executive Committee

The Executive Committee is responsible for defining strategic proposals, implementing the Group's strategy, and reviewing its success, overseeing performance against the strategy, defining the budget for the Company, promoting cultural development, and establishing and monitoring the ESG strategy for the Group.

The role of the Board continued

Role of the Board

The Board is collectively responsible for the effective oversight and the long-term success of the Company. The Board delegates some of its responsibilities to the Audit and Risk Committee and the Nomination and Remuneration Committee, through agreed Terms of Reference, which are subject to annual review and approval. The responsibilities of each Committee are described in the governance framework on page 69, in the Committee reports on pages 75 to 100, and are available on our website.

The Board also receives regular updates on the performance of the Group's businesses, operational matters and legal updates from the Executive Chairman, the Executive Directors and General Counsel and this provides opportunities for Board members to provide guidance and constructive challenge. All Board members have full access to the Group's advisers for seeking professional advice at the Company's expense.

Division of responsibilities

The Board acknowledges that Sir Martin Sorrell's role as Executive Chairman, effectively combining the roles of Chairman and Chief Executive Officer, a position he has held since S4Capital's founding, is a departure from the Code. The Independent Non-Executive Directors met during the year to review the Board structure including consideration of the ongoing suitability of this combined role. Sir Martin has been a leading figure in the marketing and communication services industry for over 40 years and the Board continues to be of the view that his expertise, knowledge and global network of relationships are a significant advantage to the Group. In light of this, the Board believes that combining the roles of Chairman and Chief Executive continued to be appropriate during the year under review. The Board continues to review this, including through an in-camera session held at each Board meeting with only the Non-Executive Directors participating.

Role	Responsibility
Executive Chairman Sir Martin Sorrell	Chairs the Board meetings, sets the Board agendas and promotes effective relationships between Executive Directors and other senior management, and the Non-Executive Directors.
Senior Independent Director Rupert Faure Walker	Provides a sounding board for the Executive Chairman and is available to act as an intermediary for other Directors when necessary. Responsible for reviewing the effectiveness of the Executive Chairman.
Non-Executive Directors	Independent of management and assist in developing and approving the strategy. Provide independent advice and constructive challenge to management, bring relevant experience and knowledge and serve on the Board Committees.
General Counsel, Head of Compliance and Company Secretary Caroline Kowall	Advises the Board on matters of corporate governance and ensures that the correct Board procedures are followed. All members of the Board and Committees have access to the services and support of the Company Secretary.

Further information on our Board roles and responsibilities are available on our website, www.s4capital.com/investors.

The role of the Board continued

Directors' performance

During the year, the Executive Chairman held meetings with individual Directors at which, among other things, their individual performance was discussed. Informed by the Executive Chairman's ongoing observation of individual Directors during the year, these discussions form part of the basis for recommending the election and re-election of Directors at the Company's AGM, and includes consideration of the Director's performance and contribution to the Board and its Committees, their time commitment and the Board's overall composition.

Executive Chairman's performance

Rupert Faure Walker in his capacity as the Senior Independent Director, leads the annual performance review of the Executive Chairman. This involved meetings during the year with the Independent Non-Executive Directors, without the Executive Chairman being present. The Senior Independent Director provided feedback to the Executive Chairman.

Election and re-election of Directors at the 2025 AGM

In accordance with the Company's Articles of Association and the UK Corporate Governance Code, all Directors will resign at the 2025 AGM, and with the exception of Mary Basterfield, offer themselves for re-election. The Board has confirmed that each Director standing for re-election continues to be effective and demonstrates commitment to their role. On the recommendation of the Nomination and Remuneration Committee, the Board will therefore be recommending that shareowners vote in favour of the resolutions proposing the election or re-election (as applicable) of each Director standing for election or re-election at the 2025 AGM.

B Shareowner

As the founder of the Group, Sir Martin Sorrell has been issued with a B Share which provides him with enhanced rights.

As the owner of the B Share, Sir Martin has the right to:

- appoint one Director of the Company from time to time and remove or replace such Director from time to time;
- ensure no executives within the Group are appointed or removed without his consent;
- ensure no shareowner resolutions are proposed (save as required by law) or passed without his consent; and
- save as required by law, ensure no acquisition or disposal by the Company or any of its subsidiaries of an asset with a market or book value in excess of £100,000 (or such higher amount as Sir Martin may agree) may occur without his consent.

The B Share will lose the B Share rights if it is transferred by Sir Martin and also:

(i) in any event after 14 years from 28 September 2018 (being the date on which the B Share was issued), or, if earlier, the date on which Sir Martin retires or dies; or

(ii) if Sir Martin sells any of the Ordinary Shares that he acquired on 28 September 2018 (other than in order to pay tax arising in connection with his holding of such shares).

In order to ensure that Sir Martin's exercise of the rights attaching to the B Shares do not prejudice the Company's ability to comply with the UK Listing Rules, Sir Martin and the Company have entered into a relationship agreement. Pursuant to this relationship agreement, Sir Martin has undertaken to ensure that:

- transactions and arrangements with Sir Martin (and/or any of his associates) will be conducted at arm's length and on normal commercial terms;
- neither Sir Martin nor any of his associates will take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules; and
- neither Sir Martin nor any of his associates will propose or procure the proposal of a shareowner resolution, which is intended or appears to be intended to circumvent the proper application of the Listing Rules.

The Group has policies in place to ensure that the rights attaching to the B Share are not infringed.

Board evaluation

During the year an internal Board effectiveness review was conducted. Working with the Nomination and Remuneration Committee, the Company Secretary distributed a structured online questionnaire seeking input on a number of topics including meeting administration, Board composition, accountability and standards of conduct.

The results were then analysed and discussed at a Board meeting after the year end, and proposed actions to enhance the effectiveness of the Board. The meeting also reviewed the findings of the previous year's evaluation to analyse the effectiveness of the improvements put in place to address the findings of that review.

The role of the Board continued

The evaluation's conclusions

The internal evaluation concluded that the Board provides strong leadership of the Company's values, mission and strategic and business plans, being well governed with appropriately structured Committees and strongly cognisant of shareowner value. The Board felt it had good access to management and was empowered to ask appropriate questions and challenge constructively as necessary.

The review concluded that whilst the Board was operating effectively, there was scope for further improvement, and made the following recommendations.

Topic	Recommendation	Progress/Plan of action
Meeting administration, Board agenda and focus	To ensure meeting materials and minutes are distributed in a more timely manner.	An improved written procedure, with accompanying deadlines, has been drafted and agreed with key internal stakeholders relating to the drafting, review and publication of meeting material and minutes, which are distributed electronically via a secure software solution.
	Agenda to be more focused on decision making and strategic oversight, with more succinct and analytical papers, to promote better discussion.	An updated paper template has been developed to present information in a consistent manner, highlighting the action required. Operational matters to be discussed more thoroughly at the preceding Executive Committee meeting to ensure greater management alignment.
Strategy, culture and values	To hold an annual Board strategy, culture and values session, separate from the quarterly meeting cycle.	Offsite culture and values session held by Miles Young with certain NEDs and senior management in Q1, with a further report to the Board in Q2 and discussion thereon.

The role of the Board continued

How we engage with our people

Our diverse and dedicated people underpin the success of our business. The Board uses a combination of both informal and formal engagement channels as detailed below:

How we engage with our people

Non-Executive Director engagement

All of our Non-Executive Directors share the responsibility for workforce engagement, which can include attendance at Community Group sessions (described below) or 'Need to Know' All-Hands sessions on specific topics. In addition, informal briefing sessions with regional and local management, and local office staff have taken place in conjunction with each overseas Board meeting. Non-Executive Directors report to the Board following any engagement activity with the workforce.

Speak Up

Our Speak Up system allows for an anonymous reporting line for our people to raise any concerns, in addition to non-anonymous ways through HR managers and the General Counsel. The Board, through the Audit and Risk Committee, receive regular updates.

Employee surveys

We conduct periodic employee surveys and use this feedback to improve our performance and culture.

State of our One Nation

The Executive Chairman sends out a weekly email update to all our people to ensure that they are kept informed of global events, industry developments, business activities, key highlights and Group and/or departmental milestones.

All-Hands

We host All-Hands sessions, divided into departmental All-Hands and geographical All-Hands sessions. These sessions include a question and answer segment, providing two-way communication and further engagement.

Community groups

Championed by our Global Chief People Officer and managed by our local People team, these voluntary employee-led groups aim to foster a diverse and inclusive workplace. Current groups include Pride.Monks, Enable.Monks, Melanin.Monks, Cultura.Monks, Caregiver.Monks, APINH.Monks and WoMMen in Tech. These groups operate at a global and local level fostering cultural recognition and continuous learning of its members and our organisation as a whole.

The role of the Board continued

How we engage with our shareowners

Our main engagement methods are listed below:

Annual Report and Accounts

Our Annual Report and Accounts are available to all shareowners, and we aim to make our Annual Report and Accounts as accessible as possible. Shareowners can opt to receive a hard copy in the post, or PDF copies via email or from our website. Shareowners can also contact our Company Secretary to request a copy via cosec@s4capital.com.

Shareowners consultation

When considering material changes to our Board, strategy or our remuneration policies, we will always seek to engage with shareowners.

Corporate website

Our website is regularly updated and has a dedicated investor section which includes all our Annual Report and Accounts, our results presentations and contact details.

Annual General Meeting

The AGM provides an opportunity for our shareowners to question the Directors and the Chairs of each of the Board Committees. Information on the 2025 AGM is on page 103.

Senior Independent Director

Should shareowners have any concerns, which the normal channels of communication to the Executive Chairman or Group Chief Financial Officer have failed to resolve, or for which contact is inappropriate, then our Senior Independent Director, Rupert Faure Walker, is available to address them. Rupert can be contacted via the General Counsel and Company Secretary (cosec@s4capital.com).

Investor meetings

The Executive Chairman, together with the Group Chief Financial Officer and Chief Growth Officer meet with the Company's largest institutional shareowners to hear their views and discuss any issues or concerns.

During the year the Executive Chairman, Group Chief Financial Officer and Chief Growth Officer held over 200 investor meetings, in person and virtually.

Following the announcement of our results, the Company's largest shareowners, together with financial analysts, are invited to a presentation with a question and answer session by the Executive Chairman, Group Chief Financial Officer and Chief Growth Officer. The webcasts are made available to all shareowners via the website.

Audit and Risk Committee Report

"The Committee has overseen the ongoing transformation of the finance function, which has continued apace"

Colin Day
Chair, Audit and Risk Committee

Letter from the Chair

Committee membership

Colin Day: Chair
Sue Prevezer KC
Rupert Faure Walker
Paul Roy (until 6 June 2024)

Dear shareowners,

As Chair, I present my report on the activities of the Audit and Risk Committee for the year ended 31 December 2024.

The Committee has been established by the Board primarily for the purpose of overseeing the accounting, financial reporting, internal controls and risk management processes and the audit of the financial statements of the Group. The Committee's role and responsibilities are set out in the Committee's Terms of Reference which are available on our website, www.s4capital.com/investors and are reviewed annually.

The Committee plays a key role in assisting the Board in its oversight of the quality and integrity of the Group's external financial reporting and accounting policies and practices for the benefit of its shareowners and other key stakeholders.

During the year, the Committee has overseen the ongoing transformation of the finance function, with projects such as the consolidation of ERP systems, which commenced in the previous year and has continued apace, and the ongoing improvements being made to our forecasting. It has also played an active role in the Group's planning for new reporting obligations including those required by the 2024 version of the UK Corporate Governance Code in respect of risk and internal controls, and the UK's Economic Crime and Corporate Transparency Act.

Personally, I have continued visiting key finance locations in APAC, EMEA and LATAM to connect with local management and finance staff, and to report back to my fellow Committee members.

We were also pleased to oversee in-sourcing of the Internal Audit function with the appointment of a Head of Internal Audit, who has built a team around him. On behalf of the Committee, I wish to thank the external Internal Auditor, Deloitte LLP, for the assistance rendered to the Committee since their appointment in mid-2022.

Significant issues considered by the Committee during the year

In discharging its duties by reviewing the financial accounts of the Company and the auditor's report, the Committee considered and discussed the following key financial matters:

- **Impairment review:** The Committee reviewed management's approach to, and recommendations in respect of, the annual impairment review. This was performed at the three cash generating units ('CGUs') as well as on the Company's investment in subsidiary, and the Committee concluded that it was necessary to recognise impairments in two of the CGUs and the Company's investment in subsidiary.
- **Revenue recognition:** The Committee oversaw internal audit reports and management responses into revenue recognition in all three practices. Due to the complexity of the contracts, particularly in Content, management's judgment is key and the Committee was generally satisfied with the approach taken.
- **Taxation:** During the year, the Committee assessed the reasonableness of provisions for taxation and the approach taken in respect of BEAT and Pillar 2. The Committee reviewed the appropriateness of the disclosures in the Annual Report, and the Board reviewed and approved the Group's tax strategy statement, which is available on the Company's website at www.s4capital.com.
- **Deferred taxation**: the Committee reviewed the deferred tax position relating to business combinations and the restatement of comparative financial statements to account for the recognition of deferred tax balances related to certain business combinations.

Audit and Risk Committee Report continued

Audit and Risk Committee activities in 2024

The main areas of the Committee activities during 2024 financial year included:

Financial and narrative reporting

- The material areas in which significant/key judgements were applied, based on reports from both the Group's management and the external auditor.
- The information, and underlying assumptions presented in support of the impairment, going concern and viability assessment.
- The consistency and appropriateness of the financial control and reporting environment.

Internal control and risk management

- Reviewed the effectiveness of the Company's systems of risk management and internal controls, together with the Enterprise Risk Management Framework.
- Performed a review of the Company's principal and emerging risks and uncertainties, risk appetite statements, risk owners and risk response plans.
- Agreed the plan to comply with the 2024 Corporate Governance Code by creating an updated material control set required by the updated Code.
- Received updates on information security, information governance, data privacy and the Group's IT infrastructure.

Compliance, whistleblowing and fraud

- Reviewed reports arising from the Speak Up Line.
- Evaluated management's identification of fraud risk and its implementation of anti-fraud measures, aligned to the Global Code of Conduct.

Internal audit

- Approved the appointment of a Head of Internal Audit and creation of an in-house internal audit team.
- Approved the annual internal audit plan.
- Reviewed key themes and findings from the internal audit reviews and tracked follow-up actions from previous reviews.

External auditor

- Reviewed the scope of, and findings from, the external audit undertaken by PricewaterhouseCoopers LLP (PwC) as the external auditor.
- Assessment of the performance, continued objectivity and independence of, and fees charged by, PwC.

Key focus for 2025

Alongside the regular cycle of matters that the Committee schedules for consideration each year, we are planning over the next 12 months to focus on the following areas:

- supporting the in-housed Internal Audit function to conduct risk-based audits in material areas of the business;
- the continuing transformation of the finance function, including systems consolidation and process improvements; and
- the enhancements required to the Material Controls Framework to meet the Group's obligations under the 2024 UK Corporate Governance Code and Economic Crime and Corporate Transparency Act.

Internal audit

The Committee is responsible for monitoring and reviewing the operation and effectiveness of the Group's Internal Audit function, including its independence, strategic focus, activities, plans and resources. During the year this function was brought in-house with the appointment of a Head of Internal Audit, who has built a team to undertake the assurance relating to the adequacy and effectiveness of the Group's internal controls and risk management systems that was formerly carried out by Deloitte LLP.

The Group's internal audit plan is prepared in accordance with standards promoted by the Chartered Institute of Internal Auditors. The Committee meets regularly with the Head of Internal Audit to review progress against the plan.

The Committee is satisfied that the Internal Audit function has the necessary integrity, objectivity and competency to fulfil its mandate. It has also satisfied itself that the Internal Audit function has adequate standing and is free from management or other restrictions.

External audit

The Committee has primary responsibility for overseeing the relationship with, and performance of, the external auditor, PwC. This includes making recommendations to the Board concerning the appointment, reappointment and removal of the external auditor, as well as assessing its independence on an ongoing basis.

PwC has served as external auditor since 2018. The current lead audit partner, Jason Burkitt, has been in position since January 2023.

During the year, the Committee reviewed the external auditor's performance and concluded that the external auditor remains independent, objective and effective in its role and should be re-appointed for a further year. On the recommendation of the Committee, the Board is therefore putting forward a resolution at this year's AGM to re-appoint PwC as external auditor for a further year.

Audit and Risk Committee Report continued

The Committee's policy is that the external auditors should not undertake any work outside the scope of their annual audit and the review of the interim financial statements. The Committee has discretion to grant exceptions to this policy where it considers that exceptional circumstances exist and that independence can be maintained, whilst having due regard to the FRC's Revised Ethical Standard 2024. The Committee's approval is required to instruct PwC to perform non-audit services.

The Committee confirms that in respect of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, the Group has complied with the applicable provisions for the financial year under review.

Fees

The audit related fees for the year ended 31 December 2024 amounted to £4.0 million (2023: £4.0 million). The non-audit fees for the year ended 31 December 2024 amounted to £0.5 million (2023: £0.4 million). Further information is available on page 135.

Fair, balanced and understandable

At the request of the Board, the Committee considered whether, in its opinion, the 2024 Annual Report, taken as a whole, is fair, balanced and understandable. In its review, the Committee examined the preparation and review process and considered the continuing appropriateness of the accounting policies, important financial reporting judgments and the adequacy and appropriateness of disclosures. Board and Committee members received drafts of the Annual Report for their review and input which provided an opportunity to discuss the drafts with both management and the external auditor.

Following its review and the Committee's recommendation, the Board believes that the 2024 Annual Report and Accounts is representative of the year and, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareowners to assess the Group's position, performance, business model and strategy.

Going concern and long-term viability

The Committee considered the going concern position as detailed on page 119. Having reviewed and challenged the downside assumptions, forecasts and mitigation strategy of management, the Committee believe that the Group and Company are adequately placed to manage its business and financing risks.

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for a period longer than 12 months from the date of signing the financial statements. Therefore, the Directors continue to adopt the going concern basis in preparing the financial statements. The Directors, having considered the longer-term viability assessment as detailed on page 23, confirm that they have a reasonable expectation that the Group and Company will be able to continue in operation and meet its liabilities as they fall due and over the viability period to 2027.

Risk Management

The Board has overall responsibility for setting the Group's risk appetite and ensuring that there is an effective risk management and internal controls framework in place, and has delegated the responsibility for review of the risk management methodology and effectiveness of internal controls to the Audit and Risk Committee. The Group's Enterprise Risk Management (ERM) framework is used to inform the Board of the key risks across the global organisation, using both a 'top down' and 'bottom up' approach to provide a holistic view of the key operational, financial, commercial, and strategic risks facing the business.

Both the Audit and Risk Committee and Board have reviewed and approved the Group's principal risks, which are detailed on pages 19 to 22. In addition, each principal risk has a senior leader owning it, who is also responsible for documenting the corresponding risk response plan, which is submitted to the Head of Risks for review and monitoring.

Internal Controls

Financial reporting is governed by a global finance manual and group minimum financial controls, to ensure consistency of record keeping and consolidation. Results and forecasts are consolidated centrally by the group finance team on a monthly basis and reviewed by the Group Financial Controller and presented to senior leadership for review and discussion. Each business unit is required to self-certify its compliance with the minimum financial controls on an annual basis, and Internal Audit will also perform risk-based audits throughout the year and report findings to the Audit and Risk Committee.

Speak Up

The Committee oversees the Group's Speak Up Policy and procedures. Concerns can be raised by employees with managers, HR or the General Counsel or can be reported by anyone, anonymously, if necessary, to a confidential hotline. The Committee received regular reports on matters raised. In 2024, a total of 41 cases were reported through the programme, over 98% of which were HR-related.

Each issue was investigated under our standard investigation procedures and appropriate steps were taken ranging from action against specific individuals to formalising local or global policies. No material issues were identified.

Audit and Risk Committee Report continued

Membership of the Committee and attendance at meetings

The Committee is comprised solely of independent Non-Executive Directors with a wide range of experience. As the Chair of the Committee, I am considered by the Board to have recent and relevant financial experience. My biographical details and those of my fellow Committee members can be found on pages 60 to 63. Meeting attendance of the Committee members can be found on page 68. The Board is satisfied that the Committee has the resources and expertise to fulfil its responsibilities. By invitation, the Executive Chairman, Group Chief Financial Officer, Head of Internal Audit, Group Financial Controller, General Counsel and Company Secretary, Deputy Company Secretary and representatives from the internal auditors (Deloitte, whilst in post) and external auditors (PwC) attend Committee meetings. The Committee met six times during the year. To further facilitate open dialogue and assurance, the Committee holds private sessions with the internal and external auditors without members of management being present.

Committee effectiveness

An evaluation of the effectiveness of the Board and its Committees was undertaken just after the year end, in line with the requirements of the UK Corporate Governance Code. The results confirmed that the Committee is operating effectively. The Committee considered that during the year it continued to have access to sufficient resources to enable it to carry out its duties and has continued to perform effectively. Further information on the Board effectiveness review is available on page 71 and 72.

As Chair of the Audit and Risk Committee, I am available to shareowners and stakeholders should they wish to discuss any matters within this report or under the Committee's area of responsibility generally, whether at the AGM or by writing to the General Counsel and Company Secretary at cosec@s4capital.com.

Colin Day
Chair, Audit and Risk Committee

23 March 2025

Nomination and Remuneration Committee Report

"The Committee remains very conscious of the competitiveness of global talent markets and the challenges this presents"

Sue Prevezer KC
Chair, Nomination and Remuneration Committee

Letter from the Chair

Committee membership

Sue Prevezer KC: Chair
Colin Day (from 6 June 2024)
Paul Roy (until 6 June 2024)
Rupert Faure Walker
Miles Young (from 6 June 2024)

Dear shareowners,

As the new Chair of the Nomination and Remuneration Committee, I am pleased to present my report on the Committee's activities for the financial year ended 31 December 2024. I am also extremely grateful to my predecessor, Paul Roy, who retired from the Board at the AGM in June 2024. At the same time as Paul retired, Colin Day and Miles Young joined the Committee, so it now comprises Rupert Faure Walker, Colin Day, Miles Young and I, all of whom are considered by the Board to be independent Non-Executive Directors.

Board composition and succession planning

2024 saw considerable changes to the size and composition of the Board, with several Executive and Non-Executive Directors stepping down at the AGM. As a result, we have a smaller Board with only two Executive Directors and the remainder Non-Executive, which is more typical of UK-listed companies, but we also retain our founder ownership representation in the form of Wesley ter Haar's position as Board Observer.

Aside from changes to Committee compositions following Paul Roy's retirement, succession planning has mainly been focussed at the Executive Committee level, and has included the appointment of Jean-Benoit Berty as Chief Operating Officer. In respect of Board composition and succession planning, the Committee monitors both with reference to an agreed skills matrix, which analyses each director's areas of expertise versus those required for the successful execution of the Company's strategy.

Board diversity

Diversity, as articulated in the Board's Diversity Policy is broader than just that of gender and ethnicity, and remains a priority for the Committee and the Board as a whole. In application of the stated aims of the Policy during the year, there are currently four women on the Board out of a total of nine Directors (44% female representation). We currently comply with the recommendations of the FTSE Women Leaders Review that women hold at least 40% of Board positions, and that at least one senior Board position (being the Chair, Chief Executive Officer, Chief Financial Officer or Senior Independent Director) is held by a woman. As announced on 9 January 2025, Mary Basterfield, our Group Chief Financial Officer, will be leaving the Company and we are actively considering the impact of this Board change on our diversity position.

During 2024, and as at the date of this report, the Board met the recommendation to have at least one Director from an ethnic minority on the Board. Further details of our Board Diversity Policy are available on our website, www.s4capital.com. Information on the Company's Diversity, Equity and Inclusion (DE&I) Policy and the diversity of the workforce as a whole are set out in the ESG section of the Strategic Report from page 26. In addition, on page 67 we include details of the gender and ethnic balance across the Board and senior management.

Directors' remuneration in 2024

During 2024 the business again experienced challenging trading conditions reflecting the global macroeconomic conditions and clients' caution and fears of recession and conflicts. This resulted in a difficult year for new business, longer sales cycles, particularly for larger transformation projects, and whilst all practices saw some impact, this was felt most strongly with our technology clients. Throughout this difficult period, the management team has demonstrated significant drive and leadership and a commitment to regaining the confidence of the market. This has formed the context for the decisions taken by the Committee during the course of the year. The Committee

Nomination and Remuneration Committee Report continued

remains very conscious of the competitiveness of global talent markets and the challenges this presents in recruiting and retaining senior leaders. We continue to encourage an approach to executive compensation which allows UK-listed companies to be competitive against peers in other markets.

The overall structure of remuneration for the Executive Directors in 2024 was consistent with the Remuneration Policy approved at the 2022 AGM. The only basic salary increase for the year was for Mary Basterfield, whose salary increased to £450,000 per annum with effect from 1 October 2024. This increase was agreed by the Committee following a review of Mary's contribution, performance and the extensive scope of her role. This was informed by a review of relevant market data, focusing on pay levels for CFOs at companies of a similar size to S4Capital in terms of revenue, and also taking into account the international scope of the business and the need to remain competitive. We recognise that the increase was significant in percentage terms, but believe it was appropriate for the reasons set out above.

We considered whether long-term share incentives should be granted to the Executive Directors in 2024, ultimately concluding not to grant such awards to Directors during the year. Awards were instead made to senior executive leaders below Board level, in the interests of the competitiveness of their compensation packages and to ensure ongoing alignment with shareowner interests.

During 2024 Sir Martin Sorrell and Scott Spirit (a former Executive Director) continued to participate in the separate Incentive Share Scheme which was established at the time of S4Capital's creation in 2018 and which rewards the growth in value of the invested capital in S4Capital 2 Limited. At 31 December 2024, the minimum growth condition for this scheme had not been met and therefore awards are not yet capable of being exercised.

Each Executive Director participated in the annual cash bonus scheme for 2024, with payments based on performance against both financial and non-financial measures. The financial measures (70%) consisted of net revenue growth, EBITDA margin and EBITDA to cash conversion. For the non-financial measures (30%), targets were linked to ESG performance, DE&I, ongoing business integration and a new measure focusing on the increased usage of AI within the business. The targets are set out on page 92.

After the year end, the Committee reviewed performance against the targets set. Both financial and non-financial targets were partially met, with 45% and 17.5% achievement respectively, leading to a total bonus outcome of 62.5% of the maximum. However, mindful of the Company's overall financial results for the year, the Committee chose to exercise downwards discretion and override this formulaic calculation, determining that a bonus achievement of 37% would be paid to the Directors for the year.

As previously disclosed, Mary Basterfield participates in certain equity arrangements agreed at the time of her recruitment in late 2021. During the year under review, she was granted the third of four separate annual awards to be made over the first four years of her employment. The award had a face value of £500,000, equivalent to 130% of her salary at the time, and was granted half as an award of market-priced share options and half as a conditional share award. Prior to the grant of the award in March 2024, the Committee determined that the performance targets for this award should align with the financial and non-financial targets set for the 2024 annual bonus scheme. In line with the outcome for the annual bonus scheme, as set out above, the formulaic performance assessment was 62.5%. The Committee further agreed that, consistent with the annual bonus, the performance outcome for this equity award would be reduced to 37%.

As noted, four executive directors stepped down from the Board at the 2024 AGM. No payments for loss of office were made to these Directors.

All decisions taken during 2024 were consistent with the Directors' Remuneration Policy and the Committee therefore considered that the Policy operated as intended during the year. The Policy provides the Committee with appropriate flexibility to make the right decisions in the best interests of the business and of shareowners. This was evidenced by the decisions reached in respect of 2024.

Remuneration plans for 2025

As noted below, we will be asking shareowners to approve a new Policy at the AGM in June.

Any Executive Director salary increase for 2025 will be consistent with the principles set out in the Policy. Full disclosure of any changes will be provided in next year's Directors' Remuneration Report at the latest. For the avoidance of doubt, no further salary increase will be awarded to Mary Basterfield in 2025. Pension and benefits provision to the Executive Directors will remain unchanged.

We are in the process of recruiting a new Group Chief Financial Officer. The salary package and other aspects of his or her compensation will be consistent with the Directors' Remuneration Policy.

Under the annual bonus scheme, Executive Directors will continue to have the opportunity to earn up to 100% of salary as a bonus, subject to the satisfaction of performance conditions linked to strategically important key financial and non-financial measures. 75% of the bonus will again be payable by reference to performance measured against financial metrics, including net revenue, EBITDA, EBITDA margin and EBITDA to cash conversion. These metrics all align with our focus on improving profitability against the backdrop of ongoing macro challenges. The remaining 25% of the bonus will be payable by reference to key non-financial objectives. This includes ESG performance, DE&I, measures linked to

Nomination and Remuneration Committee Report continued

integration and increase in usage of AI. The AI measure was introduced in 2024 as being key to the ongoing success of the business and central to our long-term growth prospects.

The exact targets for the annual bonus scheme are currently considered commercially confidential, but as normal will be disclosed in full in next year's Directors' Remuneration Report alongside a discussion of the level of performance achieved. Mary Basterfield's annual bonus for 2025 will be pro-rated to reflect the period of the financial year served.

Mary Basterfield will receive her final award of shares in 2025 with a face value at grant of £500,000. This will again be split equally between market-priced options and conditional shares. The award will be subject to the satisfaction of targets which will mirror those for the annual bonus scheme.

The targets are considered commercially confidential and will be disclosed in next year's Directors' Remuneration Report. To the extent that the performance targets are satisfied, the award will vest on a pro-rata basis in August 2026, this being four years after the grant of the first award under these arrangements.

At this stage the Committee has not made any final decisions regarding the potential grant of long-term incentive awards to the Executive Directors in 2025. Any awards will be consistent with the terms of the Directors' Remuneration Policy, with full details provided in next year's Remuneration Report.

The Board (excluding the Non-Executive Directors) is responsible for determining Non-Executive Director fees. During 2024 the Board reviewed the fee levels, taking into account the time commitment and contribution of the Non-Executive Directors, and the significant gap between the fees and market rates for Directors at similarly-sized companies. As a result, certain increases were agreed.

With effect from 1 July 2024 the Non-Executive Directors receive a base fee of £50,000, with an additional fee of £10,000 paid to the Senior Independent Director and the Chair of the Nomination and Remuneration Committee, and an additional £12,500 paid to the Chair of the Audit and Risk Committee.

Group Chief Financial Officer departure arrangements

The exact departure arrangements for Mary Basterfield are being finalised. Full details will be disclosed at the appropriate time.

Review of Directors' Remuneration Policy

The Directors' Remuneration Policy was last approved by shareowners at the AGM in 2022 and therefore will be subject to renewal at this year's AGM. During 2024 and early 2025, the Committee undertook an extensive review of the Policy to determine what, if any, changes were required to ensure its ongoing suitability for the Company. We considered the current state of the business, the opportunities for the coming years (including AI), the need to attract and retain top executive talent, common market practice and the views of major investors and relevant representative bodies.

Our overall conclusion was that the Policy has to date provided an appropriate framework for rewarding the Executive Directors, so the Policy presented for shareowner approval at the forthcoming AGM is similar to that approved in 2022. We have made only limited changes and a number of minor amendments to ensure we retain an appropriate level of flexibility while bringing some elements further into line with market practice.

Equity ownership is an integral part of the Policy. Cash remuneration is pitched at market-appropriate levels, with salaries for the Executive Directors supplemented with a cash bonus opportunity. The new Policy increases the cash bonus opportunity to a maximum of 150% of salary, which is considered to be aligned with bonus limits at other UK-listed companies with similar levels of revenue to S^4Capital, and will give us additional flexibility to provide a competitive market package for the Executive Directors is required over the three-year Policy period. Further, for any Director who has not met their shareholding requirement of 200% of basic salary, any bonus in excess of 100% of salary must be deferred into shares and subject to a minimum two-year holding period.

This 150% limit is being added at this stage for flexibility only: the annual bonus limit for the Executive Chairman and the Group CFO will remain at 100% of salary for 2025.

The Policy also includes the Incentive Share scheme, in which one executive director participates. The operation of this scheme is explained further on page 96. The changes we have made to the Policy are set out on page 84.

The Committee believes that the new Policy provides an appropriate framework for Directors' remuneration over the next three year period.

UK Corporate Governance Code

The Committee follows the UK Corporate Governance Code and remains confident that the overall approach to remuneration is aligned to both the 2018 and 2024 iterations of the Code (against which we will be required to report from 1 January 2025), and that we continue to comply with the vast majority of the provisions relating to Directors' remuneration.

Nomination and Remuneration Committee Report continued

The overall Directors' Remuneration Policy and the way it is implemented is aligned with the strategy of the business and the promotion of long-term sustainable success. As a business, we seek to generate value by using our technology and data to create exceptional content, distributed by digital media. The success of this approach is to a significant extent measured by financial performance. A key component of the incentive schemes is rewarding the achievement of challenging targets based on financial measures which include EBITDA to cash conversion, net revenue and EBITDA margin, indicators of the success of our strategic objectives and measures which are closely tracked internally and by S4Capital's shareowners and market analysts. This is supplemented by a focus on non-financial measures which are critical to the long-term value of the business and aligned with our ESG strategy, such as ensuring that the Company has an appropriately diverse workforce and is managing its wider responsibilities to society. The long-term incentive plan put in place in 2023 has a focus on share price performance, this being critical to the business at a time when the valuation has been suppressed. The ultimate value of the separate Incentive Share scheme to participants is closely correlated with the long-term success of the business since its foundation in 2018 and incorporates an extended vesting period, consistent with the expectations of the Code.

The Committee has sought to ensure that the Directors' Remuneration Policy and its implementation are consistent with the factors set out in Provision 40 of the 2018 Code:

- **Clarity:** Remuneration arrangements for the Executive Directors are set out transparently in this report, allowing shareowners to understand the nature of the specific incentive schemes and payments under those schemes. We remain committed to engagement with our major shareowners and the wider workforce on remuneration matters.
- **Simplicity:** The structure of the Remuneration Policy for the Executive Directors is simple and straightforward. Both Executive Directors participate in the annual bonus scheme, with additional equity awards offered when considered appropriate. All long-term incentives have a relatively simple structure.
- **Risk:** The Committee is aware that the Incentive Share scheme may theoretically result in the issue of shares to participants of a significant value. However, such awards will be consistent with the creation of shareowner value since the foundation of S4Capital and therefore very clearly tied to the performance of the business. Any reputational risk triggered by a perception of excessive rewards which are divorced from the underlying performance of the business is therefore limited.
- **Predictability:** Rewards available to Executive Directors under their fixed remuneration arrangements and the annual bonus scheme are limited in scope and reasonably predictable in value. The value of the various equity awards will vary in value depending on the achievement of the performance conditions and the share price as at the date of vesting/exercise, but will ultimately correlate with growth in shareowner value.
- **Proportionality:** The annual bonus scheme, the long-term incentive plan, the Incentive Share scheme and the equity awards to the Group Chief Financial Officer tie individual reward closely to the performance of the business. The targets for the bonus scheme and the Group Chief Financial Officer 's awards are linked to core financial priorities and key non-financial objectives. The Incentive Share scheme and the long-term incentive plan reward the generation of value for shareowners. As such, payouts under these schemes will be reflective of the success or otherwise of the strategic direction which has been set for the Group.
- **Alignment to culture:** S4Capital is continuing to build a new age/new era, digital, data-driven, unitary business. Our incentive schemes for Directors and for employees across the Group more widely are aligned and are all designed to ensure that performance is rewarded which supports overall business goals and is consistent with the purpose and culture of the Group.

There are two areas where we do not fully comply with the remuneration-related elements of the Code:

- **Provision 36:** The Group Chief Financial Officer's equity awards agreed as part of her recruitment in 2021 do not have a total vesting and holding period of five years or more. The full rationale for the structure of these awards was set out in the Directors' Remuneration Report for the year ended 31 December 2021. The Committee believes they were appropriate for S4Capital in the context of the need to offer a competitive recruitment package which is aligned to the interests of the business. The equity awards granted to certain Executive Directors as part of the new long-term incentive arrangements in 2023 have a three-year vesting period and a separate two-year post-vesting holding period.
- **Provision 37:** The Incentive Share scheme does not include malus or clawback provisions, nor does the Committee have the ability to override the formulaic outcome of the scheme. This is due to the long-term nature of the plan and the fact that participants in the scheme can only receive benefits once shareowners have experienced significant growth in the value of their investment. In line with the Code, the other incentives in place for Directors (the annual bonus scheme, the equity incentives for the Group Chief Financial Officer and the more recent long-term incentive awards) include malus and clawback provisions and provisions which give the Committee the ability to override the formulaic outcome of the performance tests if deemed appropriate. Similar arrangements will apply to any new long-term incentive offered to the Executive Directors in the future.

Nomination and Remuneration Committee Report continued

As noted earlier in this report, the Committee has developed its new Remuneration Policy in conjunction with the 2024 iteration of the UK Corporate Governance Code and is confident that the new Policy is aligned to the latest iteration of the Code in the same way as the previous Remuneration Policy is aligned to the 2018 Code.

Discretion

The Committee oversees the application of discretion in accordance with the Remuneration Policy. No discretion was exercised during the year, however, after the year end, and as explained above, the Committee exercised discretion to reduce the cash bonus outcome and the performance outcome for the Group Chief Financial Officer's 2024 equity award from 62.5% to 37%.

Committee engagement

The Committee welcomes the engagement of shareowners and is committed to maintaining an open dialogue regarding any nomination or remuneration-related matters. The Committee continued to reflect on and consider shareowner views on remuneration when implementing the Directors' Remuneration Policy throughout 2024.

In May 2024, my predecessor Paul Roy wrote to major shareowners to provide further context to two resolutions being proposed at the AGM which related to the Committee's responsibilities for remuneration and nomination, and we were pleased to note that the relevant resolutions received over 90% votes in favour, indicating a good level of support for our overall approach.

In early 2025 I wrote to major shareowners and the proxy voting agencies explaining the proposed changes to the Directors' Remuneration Policy, and subsequently had a number of conversations with shareowners to discuss the changes. Others provided comments in writing. I am grateful for all feedback received; this was taken into account by the Committee when finalising the Policy proposals.

I remain as committed to ongoing dialogue with shareowners as my predecessor was, and welcome any comments or questions; should shareowners wish to raise any matters with me, please do not hesitate to get in touch via the Company Secretary.

Sue Prevezer
Chair, Nomination and Remuneration Committee

23 March 2025

Remuneration Report

Directors' Remuneration Policy

The Directors' Remuneration Policy set out on the following pages will be subject to a binding vote of shareowners at the AGM to be held on 4 June 2025 and will formally apply from that date. Once approved, it will replace the Policy approved by shareowners at the AGM held on 16 June 2022 and will continue to apply until no later than the AGM in 2028. Payments to Directors and payments for loss of office can only be made if they are consistent with the terms of the approved Remuneration Policy. The Committee will be required to seek shareowner approval if it wishes to make a payment to a Director which is not envisaged by the approved Policy.

The Policy was approved by the Nomination and Remuneration Committee following a review of the existing Policy and taking into account developments since 2022. Working with its external adviser, Korn Ferry, the Committee considered the ongoing appropriateness of the existing Policy in the context of the scale and complexity of the Company and the markets in which it operates, the level of share ownership among the Executive Directors, developments in corporate governance and the expectations of institutional investors. The Committee reflected on the views of key internal stakeholders and also sought feedback from major shareowners and the leading proxy advisory bodies before finalising the details of the Policy. As a fully independent Committee, conflicts of interest were minimised and no individual was responsible for determining his or her own remuneration.

Key changes to the Remuneration Policy

In general, the new Policy is not fundamentally different to that approved by shareowners in 2022. In addition to annual salary, and a cash bonus scheme, the Employee Share Ownership Plan remains an integral part of the Policy as the plan under which equity awards will be made to Executive Directors. The main changes to the Policy approved in 2022 are as follows:

- The maximum bonus opportunity will increase to 150% of basic salary. The Company will continue to use performance measures which are linked to the immediate strategic priorities of the business, with targets which are appropriately stretching, taking into account the higher reward opportunity. This 150% limit is being added at this stage for flexibility only: the annual bonus limit for the Executive Chairman and the Group CFO will remain at 100% of salary for 2025.
- The introduction of a requirement that any bonus in excess of 100% of salary must be deferred into shares for two years for any Executive Director who has not met his or her shareholding requirement.
- In relation to the Employee Share Ownership Plan, the clarification that awards of up to 250% of basic salary can be granted in exceptional circumstances, with the normal limit being 200%. The new Policy also clarifies that these limits apply to performance share awards, with a similar fair value applied if other kinds of awards are granted.
- The removal of the statement that basic salaries are typically set at below-market rates. This wording is a legacy of S4Capital's creation, when many of the Executive Directors in place at the time had large shareholdings and, as a result, deliberately below-market salaries were set.
- The inclusion of new wording on malus and clawback to comply with the provisions of the 2024 UK Corporate Governance Code, against which S4Capital will report with effect from the financial year beginning 1 January 2025.
- In addition, a number of minor changes to the wording of the Policy have been made in the interests of clarification.

The Policy provides the Committee with the ability to exercise discretion in certain circumstances. This is explained in the relevant sections of the Policy table and in the sections below the table.

Remuneration Report continued

Policy table for Executive Directors

The table below sets out the core components of the remuneration package for Executive Directors and explains the purpose of each element and how it furthers the strategy of the Group. The table also summarises the operation of each element and its performance conditions (where relevant), the maximum reward opportunity and the relevant performance metrics.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance assessment
Base salary	A fixed element of the Executive Directors' remuneration, intended to provide a base level of income.	Salary is reviewed annually and otherwise by exception. Takes into account the role performed by the individual and information on the rates of pay for similar jobs in companies of comparable size and complexity.	Annual increases will ordinarily be in line with awards to other people within the Group. Consistent with other roles within the Group, other specific adjustments may be made to take account of any changes to individual circumstances, such as an increase in scope and responsibility, an individual's development and performance in the role and any realignment following changes in market levels.	An individual's performance is one of the considerations in determining the level of annual increase in salary.
Benefits	A fixed element of the Executive Directors' remuneration, intended to provide a market-competitive benefits package.	Benefits such as insurance, fully-expensed transportation, private medical insurance and life assurance may be paid to the Executive Directors in line with market practice.	Benefits are set at a level which the Nomination and Remuneration Committee considers to be commensurate with the role and comparable with those provided in companies of a similar size and complexity.	n/a
Pension	A fixed and standard element of the Executive Directors' remuneration to support retirement.	Takes into account the role performed by the individual, the level of pension provided to the wider workforce, and the legal requirements in the country of appointment. Payment may be made into a Company pension scheme, private pension plans or paid as cash in lieu.	The maximum level of pension contribution is aligned with the rate payable to the majority of the workforce or the legal requirements in the Executive Directors' country of appointment.	n/a
Annual Bonus Scheme	The annual bonus scheme is intended to reward Executive Directors for their achievements and the performance of the Group in the financial year.	Following the end of each financial year, the Nomination and Remuneration Committee reviews actual performance against the objectives set under the scheme and determines awards accordingly. Awards are normally paid in cash but the Nomination and Remuneration Committee has discretion to determine if a proportion of the bonus should be invested in shares. Where a Director has not met his or her shareholding guidelines, any bonus over 100% of basic salary will be deferred into shares and subject to a minimum two-year holding period. At the discretion of the Committee, for certain leavers, a pro-rata annual bonus may become payable at the normal payment date for the period of employment and based on full-year performance.	Maximum 150% of basic salary. The Nomination and Remuneration Committee has discretion regarding the amount payable for achieving a minimum level of performance.	The targets against which annual performance is judged are determined annually by the Nomination and Remuneration Committee. Annual performance may be assessed against a combination of financial, operational, strategic and personal goals, typically with a majority weighting on financial goals. Malus and clawback provisions apply to payments under the annual bonus scheme. For more details see page 87.

Remuneration Report continued

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance assessment
Incentive Share Scheme	The Incentive Shares and Options are intended to motivate the Executive Directors who are invited to subscribe for them to contribute towards the long-term development of the Group.	The Nomination and Remuneration Committee reviews the development of the Group against the terms of the scheme, as described on page 96.	In aggregate, for all holders of Incentive Shares and Options, 15% of the growth in value of S^4Capital 2 Limited, as described on page 96.	A compound annual growth rate of 6% since the foundational investment into S^4Capital 2 Limited, as described on page 96.
Employee Share Ownership Plan ('ESOP')	Motivate and incentivise employees and Executive Directors to contribute to the long-term development of the Group. As set out overleaf, Executive Directors may become eligible to participate in other long-term incentive arrangements if deemed appropriate.	Awards over shares which vest subject to the satisfaction of performance. The vesting period will be up to four years. Awards can be structured as options (with or without an exercise price) or conditional share awards.	For Executive Directors, 200% of salary per annum (or 250% in exceptional circumstances) for performance share awards. If other types of award are made, these would have a similar equivalent fair value. The Nomination and Remuneration Committee has discretion regarding the amount which may vest for achieving a minimum level of performance. This threshold vesting level will vary depending on the awards that are granted under the ESOP.	Performance conditions will be linked to key strategic priorities or other targets identified at the time of grant. Normally there will be a majority or exclusive weighting on financial targets (which may include targets linked to share price). Malus and clawback provisions apply to these awards.
Share Ownership Guidelines	Requires the Executive Directors to hold a minimum level of shares both during and after the period of their employment.	Executive Directors are encouraged to build up and then subsequently hold a minimum level of shareholding as soon as reasonably practicable following appointment with the expectation that this will normally be within five years of appointment. Executive Directors are also required to maintain a minimum level of shareholding for a period of two years following the cessation of their employment.	The minimum shareholding which should be built up by an Executive Director is a holding equivalent in value to 200% of their basic salary. Executive Directors must also maintain a shareholding for a minimum period of two years following the cessation of their employment of the lower of (1) the in-employment shareholding requirement of 200% of salary and (2) the individual's actual shareholding at the time of their departure.	n/a

Remuneration Report continued

Performance conditions

The performance conditions chosen for the annual bonus scheme and for equity incentives awarded under the ESOP are intended to align to the key strategic priorities of the Group. The financial metrics which apply to the bonus scheme are currently based on net revenue, EBITDA and cash conversion, these being important measures used by the Board and by management to assess performance. The bonus scheme also uses non-financial metrics which are linked to specific short-term strategic priorities. For ESOP awards, different measures have been used depending on the nature of the award. Specific bonus targets are set based on an assessment of expected levels of performance over the period covered by the incentive.

For the Annual Bonus Scheme and the ESOP, the performance conditions may change for future financial years in light of any change to the Company's circumstances and any other relevant matter.

The growth condition applying to the Incentive Shares was chosen to reflect a suitable baseline of performance above which the participants can share in the growth of the Company over the period since it was established in 2018.

Malus and clawback

The Annual Bonus Scheme includes malus and clawback provisions which may be invoked by the Nomination and Remuneration Committee at its discretion within the two-year period following the payment of any bonus in the following circumstances:

- a material misstatement of the financial results of the Company;
- the identification of an error in the calculation of the grant or determination of a performance target;
- action or conduct which amounts to fraud or gross misconduct or other circumstances which would have warranted summary dismissal;
- a material failure of risk management;
- circumstances which have a significant impact on the reputation of the Group; and/or
- the insolvency of the Group.

The equity incentives granted to certain Executive Directors under the Employee Share Ownership Plan are subject to similar malus and clawback provisions. Furthermore, the Committee intends that similar provisions will be applied to any new long-term incentive scheme put in place during the lifetime of the Remuneration Policy.

The two-year clawback period is viewed as appropriate as it provides a suitable defined timeframe for the Group to detect and identify any circumstance which would merit the clawback provisions being invoked.

Due to the long-term nature of the rewards offered by the Incentive Share scheme, which only allows the owners of the Incentive Shares to receive benefits under the scheme once shareowners have experienced significant growth in the value of their investment, there are no malus and clawback arrangements in respect of awards under this scheme. Awards are, however, subject to leaver provisions intended to motivate holders to remain with the Group over the long term (up to 14 years), subject to extension.

Nomination and Remuneration Committee discretion

The Nomination and Remuneration Committee will operate the incentive schemes in accordance with the relevant scheme rules. Consistent with standard market practice, the Committee has certain discretions regarding the operation and administration of these schemes, including as to:

- participants;
- timing of grants or awards;
- size of awards;
- determination of how far performance metrics have been met;
- treatment of leavers or arrangements on a change of control; and
- adjustments of targets and/or measures if required following a specific event (e.g. material acquisition or disposal).

Any use of these discretions would be explained in the annual report on remuneration for the relevant year.

In addition, and in accordance with good practice, the Committee has the discretion to adjust the formulaic outcome of the annual bonus scheme and equity awards granted to Executive Directors to reflect overall business performance over the vesting period. A similar discretionary override would be put in place for any new long-term incentive arrangement put in place during the lifetime of the Remuneration Policy.

Additional long-term incentive arrangements

Under this Remuneration Policy, the Committee has the flexibility to agree additional long-term incentive arrangements for Executive Directors during the lifetime of the Policy. This reflects the fast-moving nature of the business environment and the potential need to react quickly to changing circumstances without needing formal shareowner approval for an amendment to the Policy. Any new scheme would be aligned to the Company's medium and long-term strategy and would include appropriate performance metrics linked to the financial performance of the Company (unless the Committee determines that other targets are appropriate).

Remuneration Report continued

If any new long-term incentive plan is established, the limit on the size of individual awards would be a grant over shares worth up to 200% of base salary each year if granted as performance shares (with flexibility to increase to 250% of basic salary in exceptional circumstances). If other types of awards are made, these would have a similar equivalent fair value. Such awards would vest over a period of up to four years, subject to the satisfaction of performance targets as noted.

Recruitment

When hiring a new Executive Director, the Committee will use the Remuneration Policy as the initial basis for formulating the individual's package. To facilitate the hiring of candidates of the appropriate calibre to implement the Group's strategy, the Committee may include any other remuneration component or award not explicitly referred to in this Remuneration Policy (or a higher award opportunity than that set out in the Remuneration Policy table) sufficient to attract the right candidate. Any long-term incentive award granted to a new appointee would be up to a maximum of 250% of basic salary per annum whilst any annual bonus award would have a maximum opportunity of 150% of basic salary.

Awards outside the above policy would only be made (i) if they are considered a necessary part of an acquisition which involves a new Director joining the Board and/or (ii) to buy out awards being foregone by the incoming Executive Director, with the value of these buyout awards reflecting the value of the awards foregone. It is the Committee's intention that any buyout award would reflect the same delivery vehicle, performance and vesting horizon of the awards foregone. Where the recruitment requires the individual to relocate, appropriate relocation costs may be offered.

In determining the appropriate remuneration, the Committee will take into consideration all relevant factors, including the quantum and nature of the remuneration, to ensure the arrangements are in the best interests of the Company and its shareowners.

Contracts of service

The Company's policy is to offer contracts of employment that attract, motivate and retain skilled people who are incentivised to deliver the Company's strategy.

The Executive Directors have service agreements with the Company but are remunerated pursuant to agreements concluded with other entities in the Group. A summary of the agreements pursuant to which the Executive Directors are remunerated is set out as follows.

The service agreements are available for inspection at the Company's registered office.

Director	Date of appointment	Date of contract	Notice period (months)
Sir Martin Sorrell	28 September 2018[1]	24 June 2018	12
Mary Basterfield	3 January 2022[2]	14 November 2021	12

Notes:

1. Sir Martin has acted as a Director of S4Capital 2 Limited since its foundation on 23 May 2018, which is the effective date of the start of his employment pursuant to his service agreement.
2. Date of appointment as a Director. Joined the Company on 13 December 2021. On 9 January 2025 it was announced that Mary Basterfield would be stepping down from the Board.

Policy on payments for loss of office

The service agreements for the Executive Directors allow for lawful termination of employment by making a payment in lieu of notice or by making phased payments over any remaining unexpired period of notice. There is no automatic or contractual right to annual bonus payments. At the discretion of the Committee, for certain leavers, a pro-rata annual bonus may be payable at the normal payment date for the period of employment and based on full year performance. Should the Committee decide to make a payment in such circumstances, the rationale would be fully disclosed in the annual Remuneration Report.

The equity incentives awarded to Executive Directors under the Employee Share Ownership Plan include customary leaver provisions. In certain specific 'good leaver' circumstances (death, illness or disability, the business for which the individual works no longer being part of the Group, or any other reason determined by the Committee), the Committee may determine that awards which have not vested at the date of cessation shall continue and be available for vesting on the normal vesting date. The extent of vesting would depend upon the satisfaction of the relevant performance conditions. The award would also be subject to a pro-rata reduction to reflect the number of completed days in the period between the grant date and the date of cessation as a proportion of the total number of days in the vesting period. The Committee has the discretion to disapply this time pro-rating if deemed appropriate. If the Committee deems the individual to be a 'bad leaver', then any unvested award would lapse immediately on the date of cessation.

In the event of a change of control or winding up of the Company, the Committee has the discretion to determine that the performance conditions would continue to apply, and that the number of shares which vest would be subject to prorating to reflect the number of completed days between the grant date and the date of the corporate event.

Remuneration Report continued

The Committee reserves the right to make additional liquidated damages payments outside the terms of the Directors' service contracts where such payments are made in good faith in order to discharge an existing legal obligation, or by way of damages for breach of such an obligation, or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment.

Legacy arrangements and other payments

The Committee reserves the right to make amendments to the Remuneration Policy for minor administrative matters in exceptional circumstances. The Committee would only use this right where it believes this would be in the best interests of the Company and when it would be disproportionate to seek the specific approval of shareowners at a general meeting.

Outside appointments

The Company recognises that Executive Directors may be invited to become non-executive directors of other companies and that this can help broaden their skills and experience. Subject to Board approval, Executive Directors are permitted to take on other non-executive positions with other for-profit companies and to retain their fees in respect of such a position.

Statement of consideration of employment conditions elsewhere in the Group

The Group operates in fast-moving sectors across multiple jurisdictions. Pay levels and structures for people across the organisation are designed to be competitive and to reflect the dynamics in specific markets. Performance-related pay is a significant part of the remuneration of many employees, with annual cash incentives and equity awards used as appropriate to ensure suitably competitive compensation packages. The Committee regularly considers matters relating to compensation across the organisation and takes this into account when making decisions on the Directors' Remuneration Policy. Although certain elements of remuneration arrangements for the Executive Directors (such as the Incentive Share Scheme) differ from those available to other employees, the Committee is satisfied that there is sufficient alignment between the Directors and other employees. There is a focus on performance across all levels of the business. For example, Group financial and non-financial performance (which determines bonus payments to the Executive Directors) is taken into account when awarding bonuses to employees across the Group. Among other things the Committee compares the level of bonus outcome for the Directors with awards for others across the business to consider alignment and fairness.

The Group's people were not directly consulted in setting the Directors' Remuneration Policy. However, the Committee regularly considers matters relating to compensation across the organisation and takes this into account when making decisions in respect of the Policy.

Consideration of shareowner views

The Committee considers it extremely important to maintain open and transparent communication with the Company's shareowners. The views of shareowners are received through various avenues, such as at the AGM, during meetings with investors and through other contact during the year. These views are considered by the Committee and help to inform the development of the overall Remuneration Policy.

In early 2025 the Committee Chair wrote to major shareowners and the leading proxy voting agencies to seek their feedback on the shape of the Policy and the proposed changes to the Policy to be approved at this year's AGM. The comments received were considered by the Committee and taken into account when finalising this Policy.

Illustrations of the application of the Remuneration Policy

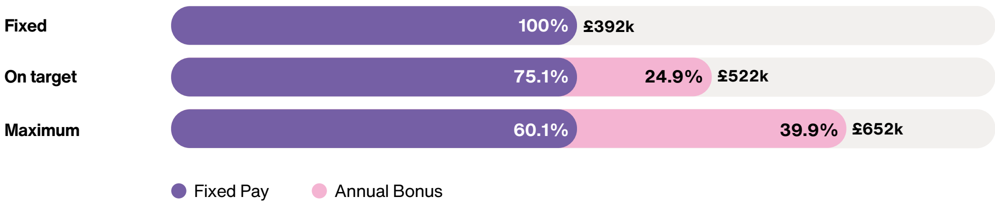
The charts below show an indication of the level of remuneration that each Executive Director could receive in the current financial year under the terms of the Remuneration Policy. The charts show the level of remuneration based on three levels of remuneration:

- **Minimum:** remuneration which is not subject to the satisfaction of performance conditions, i.e. basic salary, taxable benefits and pension contributions.
- **Target:** fixed remuneration plus a 50% payout under the annual bonus scheme and, in the case of the Group Chief Financial Officer, her equity grant under the ESOP.
- **Maximum:** fixed remuneration plus a 100% payout under the annual bonus scheme and, in the case of the Group Chief Financial Officer, her equity grant under the ESOP. The maximum scenario includes an additional element to represent 50% share price growth on the Group Chief Financial Officer's equity grant.

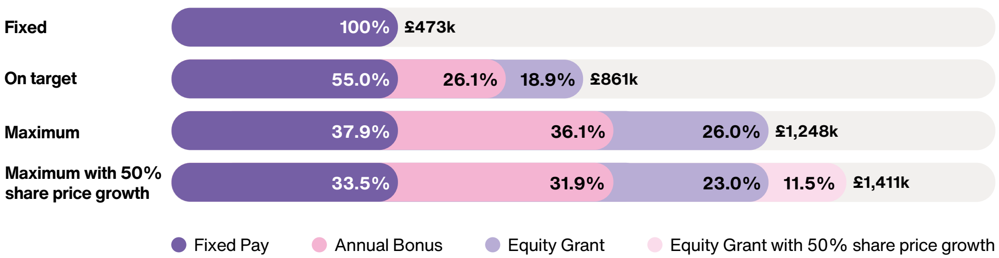
Remuneration Report continued

The chart for the Executive Chairman does not include an amount in respect of the Incentive Share scheme as the absence of a monetary cap on the value of the ultimate rewards means that it is not possible to accurately forecast potential payouts. The chart for the Group Chief Financial Officer recognises that half of her equity award is granted as market-value share options, which have a lower value than performance shares. The charts do not include amounts in respect of other long-term incentive awards as no decisions about the nature and scope of such awards have been made as at the date of finalisation of this report.

DRR Scenario Sir Martin Sorrell



DRR Scenario Mary Basterfield



Letters of appointment

The terms of appointment of the Non-Executive Directors are set out in their respective letters of appointment. Appointment as a Non-Executive Director is subject to a three-month notice period. The Group has no obligation to make termination payments if a Non-Executive Director is not re-elected as a Director at an AGM.

The appointment of Rupert Faure Walker is governed by his appointment letter with S4 Limited, which remained in place following the completion of the Company's acquisition of S4Capital 2 Limited on 28 September 2018.

Director	Date of appointment	Date of letter of appointment	Notice period (months)
Rupert Faure Walker	28 September 2018	12 March 2021[1]	3
Sue Prevezer	14 November 2018	3 November 2018	3
Daniel Pinto	24 December 2018	4 December 2018	3
Elizabeth Buchanan	12 July 2019	11 June 2019	3
Margaret Ma Connolly	10 December 2019	6 December 2019	3
Miles Young	1 July 2020	30 June 2020	3
Colin Day	2 August 2022	2 August 2022	3

Note:

1. A new letter of appointment was signed with Rupert Faure Walker on this date, superseding those dated 24 June 2018 and 10 September 2018.

Policy table for the Non-Executive Directors

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance assessment
Fees	To attract and retain Non-Executive Directors with adequate experience and knowledge.	The fees of the Non-Executive Directors are determined by the Board based upon comparable market levels and time commitment. The Non-Executive Directors do not participate in any performance-related incentive arrangements, nor do they have any entitlement to benefits or pension contributions. Directors may be paid additional amounts for services such as acting as the Senior Independent Director or as a Committee Chair.	The maximum fees payable are subject to an aggregate annual limit as set out in the Articles of Association which is currently £500,000.	n/a

Remuneration Report continued

Recruitment of new Non-Executive Directors

Any new Non-Executive Director appointed during the period covered by this Remuneration Policy will have their remuneration set in line with the provisions of the Policy table.

Annual Remuneration Report

The information provided in this Annual Remuneration Report is subject to audit where indicated. Details of the Directors' interests in the share capital of the Company are set out on page 95. The remuneration of the Executive Directors for the year to 31 December 2024 is presented below with a comparison for the year to 31 December 2023.

Executive Directors' remuneration as a single figure (audited)

	Salary		All taxable benefits[1]		Annual bonus		Incentive shares		Pension		Other		Total[7]		Total fixed remuneration		Total variable remuneration	
£000	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Sir Martin Sorrell	**260**	258	**121**	103	**96**	–	**–**	–	**10**	10	**–**	–	**487**	371	**391**	371	**96**	–
Victor Knaap[2, 3]	**78**	188	**6**	16	**29**	–	**–**	–	**4**	8	**–**	–	**117**	212	**88**	212	**29**	–
Wesley ter Haar[2, 3]	**78**	188	**6**	16	**29**	–	**–**	–	**4**	7	**–**	–	**117**	211	**88**	211	**29**	–
Christopher S. Martin[3,4]	**151**	308	**–**	–	**–**	–	**–**	–	**4**	8	**–**	–	**155**	316	**155**	316	**–**	–
Scott Spirit[3,5]	**142**	333	**15**	21	**52**	–	**–**	–	**6**	13	**–**	–	**215**	367	**163**	367	**52**	–
Mary Basterfield[6,8]	**401**	381	**5**	4	**148**	–	**–**	–	**16**	15	**83**	96	**653**	496	**422**	400	**231**	96
Total	**1,110**	**1,656**	**153**	**160**	**354**	**–**	**–**	**–**	**44**	**61**	**83**	**96**	**1,744**	**1,973**	**1,307**	**1,877**	**437**	**96**

Notes:

1. Taxable benefits include, and in the case of Sir Martin Sorrell exclusively comprise, amounts relating to health insurance.
2. The remuneration of Victor Knaap and Wesley ter Haar is converted into sterling from euros using the average exchange rate for the year, consistent with the basis of the presentation of financial performance in the financial statements.
3. Victor Knaap, Wesley ter Haar, Christopher S. Martin and Scott Spirit stepped down from the Board on 6 June 2024. No payments were made for loss of office, and with the exception of Christopher S. Martin who left the Group on 31 July 2024, all remain employed with the Group. The amounts shown for 2024 for these former Directors in the table above relate to remuneration in respect of the period from 1 January 2024 to 6 June 2024.
4. The remuneration of Christopher S. Martin is converted into sterling from US dollars using the average exchange rate for the year, consistent with the basis of the presentation of financial performance in the financial statements.
5. The remuneration of Scott Spirit is converted into sterling from Singaporean dollars using the average exchange rate for the year, consistent with the basis of the presentation of financial performance in the financial statements.
6. For Mary Basterfield, the amount disclosed under 'Other' for 2024 is the value as at the end of 2024 of the equity award granted during the year in connection with her recruitment, for which performance was measured over the 2024 financial year, and reflecting the Nomination and Remuneration Committee's decision that performance should be assessed at 37%. £nil of this amount is attributable to share price appreciation. The shares will vest in August 2026, in line with their terms as disclosed in previous Directors' Remuneration Reports. The amount disclosed under 'Other' for 2023 includes £59,342 as the value at the end of 2023 of the equity award granted during the year in connection with her recruitment, for which performance was measured over the 2023 financial year, and reflecting the Nomination and Remuneration Committee's decision that performance should be assessed at 50%. £nil of this amount is attributable to share price appreciation. The shares will vest in August 2026. The amount disclosed under 'Other' for 2023 also includes £36,995 as the value at vesting of the share award granted to Mary in December 2021 prior to her appointment as an Executive Director. £nil of this amount is attributable to share price appreciation.
7. Total remuneration for Mary Basterfield is the aggregate remuneration of the highest paid UK Director.
8. The taxable benefits for Mary Basterfield for 2023 has been restated to include the value of the health insurance premium received in 2023.

Remuneration Report continued

Salary (audited)

As disclosed in last year's report, the salaries of the Executive Directors were increased with effect from April 2023. No further increases were implemented in April 2024. The annual salary of Sir Martin Sorrell for 2024 remained at £260,000. Mary Basterfield's salary was increased from £384,800 to £450,000 with effect from 1 October 2024, as explained on page 80.

Pension (audited)

For 2024, all Executive Directors' pensions were aligned with the wider workforce or to the legal requirements in place in their country of appointment. Pension contributions for Sir Martin Sorrell and Mary Basterfield were at a rate of 4% of basic salary. Mary Basterfield's contributions were paid into the Company's pension scheme. Sir Martin Sorrell received a payment of a cash amount in lieu of pension.

Annual bonus scheme (audited)

The 2024 bonus scheme was based on the achievement of performance targets linked to the Group's strategic priorities. 70% of the bonus was payable by reference to performance against Group financial metrics, and the remaining 30% was payable by reference to key non-financial objectives.

The specific financial metrics are set out in the table below.

	Weighting (% of total bonus)	Targets	Result
Net revenue growth	25%	(1.4%) growth on like-for-like basis vs FY23	(11.1%)
EBITDA margin	25%	11.4% as percentage of net revenue	12%
EBITDA to cash conversion[1]	20%	70% to 80% ratio	115%

Note:
1. Defined as EBITDA less capex less change in working capital/EBITDA.

For the 30% of the bonus subject to non-financial objectives, targets were set based on the ongoing integration of the various businesses within S4Capital, Diversity, Equity and Inclusion, ESG, and AI, as summarised below.

Objective	Targets	Weighting (% of total bonus)	Achievements	Score
Integration	• Unifying business processes to improve efficiency and further enhance the 'one S4Capital' approach. • Identifying and managing execution of opportunities to integrate the S4Capital Group's physical presence. • Working as an integrated team to identify and execute opportunities to grow the top line.	10%	• Creation of Marketing Services practice concept. • Further work to be done on fully integrating across Marketing Services and Technology Services.	50%
Diversity, Equity and Inclusion	• Improving the Black representation in the US towards the goal of 13%. • Improving the percentage of women in leadership towards the goal of 50%.	2.5%	• Target not achieved: slight decrease in Black representation from 5.6% to 5.2%. • Target not achieved: women in leadership at 36.9% vs 38.3% in 2023.	0%
ESG	• Formal approval of Science-Based Emission Targets for the next 10 years by SBTi. • Improve EcoVadis score. • Complete B Corp final assessment.	2.5%	• SBTi targets have been approved. Execution plan still waiting for approval. • EcoVadis score submitted and improved from 44/100 (FY22) to 49/100. • B Corp Certification granted.	100%
AI	• Increase in usage of AI.	15%	• Monks.Flow platform launched 1 August 2024 with over 800 unique users onboarded by the end of December 2024.	66%

Remuneration Report continued

Following the end of the financial year, the Committee considered in detail the achievements against both the financial and non-financial targets as set out on the previous page, which on a formulaic basis would have resulted in a bonus equivalent to 62.5% of the maximum opportunity.

However, mindful of the Company's overall financial results for the year, the Committee considered that the formulaic calculation was not representative of Group or share price performance during the year and therefore chose to exercise its discretion and override the formulaic calculation, resulting in a determination that a bonus level of 37% of the maximum opportunity should be paid to the Executive Directors.

Share awards for the Group Chief Financial Officer (audited)

Award granted during 2024 and vesting based on performance measured in 2024

In accordance with the terms of her appointment, and as described in the audited 2021 Directors' Remuneration Report, it was agreed that Mary Basterfield would receive four separate grants of equity over the first four years of her appointment. Each award has a face value of £500,000.

The first and second awards were granted in 2022 and 2023 respectively, in both cases as a mix of market-priced options and conditional shares. The use of market-priced options ensures a focus on share price growth as well as the performance conditions attached to the awards. Full details of the performance conditions and the outcome for both of these awards were included in the relevant year's Remuneration Report.

The third award was granted during 2024, also a mix of market-priced options and conditional shares. The Nomination and Remuneration Committee agreed that the award should incorporate the same performance conditions as the annual bonus scheme (as detailed in the bonus section). In line with the outcome for the annual bonus scheme for 2024, the formulaic performance assessment was 62.5%. However, the Committee exercised its discretion to reduce the performance outcome to 37%, consistent with the approach for the annual bonus (see previous page). Accordingly, 63% of the award will lapse. The remaining 37% will vest in August 2026, being four years after the date of grant of the first share award in 2022. There are no additional performance conditions which must be met prior to the vesting date.

The number of shares awarded and the number scheduled to vest following the assessment of the performance condition is set out in the table below.

Director	Date of grant	Face value of award	Number of shares/options awarded[1]	Exercise price (£)	Vesting proportion	No. of shares options to vest	Value as at 31 Dec 2024[3]	Vesting date
Mary Basterfield	28 March 2024	£250,000	616,621 share options	0.4054[1]	37%	228,150	£Nil	2 Aug 2026
	28 March 2024	£250,000	616,621 conditional shares	n/a[2]	37%	228,150	£83,142	2 Aug 2026

Notes:

1. The number of shares awarded and the exercise price for the share options was based on the 30-day volume weighted average price per share, as calculated on the date of grant.
2. These awards were granted as conditional share awards and do not have an exercise price.
3. The value of these awards has been calculated based on a share price of 36.56p, being the average share price over the final three months of the 2024 financial year. Of the total value, £nil is deemed attributable to share price appreciation since the date of grant.

Remuneration Report continued

Long-term incentives granted during the year (audited)

No new long-term incentive awards were granted to Executive Directors during 2024. Full details of the awards granted to Directors in 2023 can be found in last year's Directors' Remuneration Report.

Non-Executive Directors' remuneration as a single figure (audited)

£000	Year to 31 December 2024[1]	Year to 31 December 2023
Rupert Faure Walker	53	48
Paul Roy[2]	23	45
Sue Prevezer	49	38
Daniel Pinto	44	38
Elizabeth Buchanan	44	38
Naoko Okumoto[2]	19	38
Margaret Ma Connolly	44	38
Miles Young	44	38
Colin Day	54	45

Notes:

1. With effect from 1 July 2024, the basic fee was increased from £37,500 per annum to £50,000 per annum, with an additional fee of £10,000 paid to the Senior Independent Director and the Chair of the Nomination and Remuneration Committee (both previously £7,500) and an additional fee of £12,500 paid to the Chair of the Audit and Risk Committee (previously £7,500). There were no increases to the fees payable to the Non-Executive Directors during 2023.
2. Retired from the Board on 6 June 2024.

Payments for loss of office/Payments to past Directors (audited)

No payments for loss of office or payments to past Directors were made during 2024.

Directors' interests in shares and share options (audited)

Details of Directors' interests in Ordinary Shares, unvested and vested share awards, and Incentive Shares are shown in the table overleaf. Sir Martin Sorrell is a substantial shareowner in the Company as a consequence of his foundational investment into S4Capital 2 Limited.

The Directors' Remuneration Policy includes a minimum shareholding requirement for Executive Directors to build and hold shares equivalent in value to 200% of their basic salary. This holding should be built up as soon as reasonably practicable following appointment and with the expectation that this will normally be within five years of appointment. The Policy also includes a requirement for Executive Directors to maintain a shareholding for a minimum period of two years following the cessation of their employment of the lower of (1) the in-employment shareholding requirement of 200% of salary and (2) the individual's actual shareholding at the time of their departure.

Remuneration Report continued

Details of Directors' interests in Ordinary Shares, unvested and vested share awards, and Incentive Shares as at 31 December 2024, or their date of resignation, are set out in the table below.

Director	Interest in Ordinary Shares	Unvested Share Awards and Share Options subject to performance conditions	Unvested Share Awards and Share Options subject to no performance conditions	Vested but unexercised Share Options	Interest in incentive instruments	Shareholding requirement (% of basic salary)	Shareholding requirement met
Executive Directors							
Sir Martin Sorrell[1]	54,229,594	–	–	–	4,000	200%	Yes
Mary Basterfield	60,618	1,628,114[2]	378,696[3]	–	–	200%	No
Non-Executive Directors							
Rupert Faure Walker	1,008,450	–	–	–	–	–	–
Sue Prevezer	293,512	–	–	–	–	–	–
Daniel Pinto[4]	13,572,769	–	–	–	–	–	–
Elizabeth Buchanan	37,777	–	–	–	–	–	–
Margaret Ma Connolly	19,523	–	–	–	–	–	–
Miles Young	50,000	–	–	–	–	–	–
Colin Day	109,695	–	–	–	–	–	–
Former Directors							
Wesley ter Haar[5]	17,546,067	400,572	–	–	–	200%	Yes
Victor Knaap[5]	17,546,066	400,572	–	–	–	200%	Yes
Christopher S. Martin[5]	6,476,522	746,524	–	–	–	200%	Yes
Scott Spirit[6]	307,194	–	–	–	2,000	200%	No
Naoko Okumoto	25,396	–	–	–	–	–	–
Paul Roy	1,950,129	–	–	–	–	–	–

Notes:
1. Sir Martin Sorrell holds 4,000 A2 Incentive Shares and also holds the B share.
2. These awards reflect the share options and conditional share awards granted during 2023 under the long-term incentive plan (as disclosed in last year's report) and also include the separate share award granted to Mary Basterfield in 2024 in connection with the arrangements agreed at the time of her recruitment as detailed on page 80.
3. Reflects the number of share options and conditional share awards remaining from the awards granted to Mary Basterfield in 2022 and 2023 in connection with the arrangements agreed at the time of her recruitment. These awards are scheduled to vest in August 2026. There are no further performance conditions attached to these awards.
4. Comprises 232,600 shares held personally and 13,340,169 shares acquired by Stanhope Entrepreneur Fund, a growth capital fund managed by Stanhope Capital Group, of which Daniel Pinto is Chief Executive.
5. Victor Knaap and Wesley ter Haar hold their interests in Ordinary Shares through (i) Oro en Fools B.V., their joint personal holding vehicle which is owned (indirectly) 50% by Victor Knaap and 50% by Wesley ter Haar; and (ii) Zen 2 B.V., the ordinary share capital of which is owned 51% by Oro en Fools B.V. and 49% by funds managed by Bencis Capital Partners B.V. The interests in Ordinary Shares of Victor and Wesley noted above are the aggregate totals of the ordinary shares held by these entities. Certain of the interests of Christopher S. Martin are held through certain family trust arrangements.
6. Scott Spirit has options to subscribe for a total of 2,666 A1 Incentive Shares (this includes the 2,000 Incentive Share Options disclosed in the table above), as explained on page 96.

There were no changes to Directors' interests during the period from 31 December 2024 to the date of this report.

Remuneration Report continued

The S4Capital 2 Limited Scheme

Arrangements were put in place shortly after the formation of S4Capital 2 Limited (formerly S4Capital Limited) to create incentives for executives who were expected to make key contributions to the success of the Group. The Group's success depends upon the sourcing of attractive investment opportunities and the improvement of the performance of any businesses that are acquired. Accordingly, an incentive scheme (the S4Capital 2 Limited Scheme, or the Incentive Share Scheme) was created to reward key contributors for the creation of value through the use of Incentive Shares.

Sir Martin Sorrell subscribed for A2 Incentive Shares in May 2018 and Scott Spirit was granted an option to subscribe for A1 Incentive Shares in January 2020. The terms of these awards are set out in the table below.

Director	Number of Incentive Instruments	Date of issue
Sir Martin Sorrell	4,000 A2 Incentive Shares	29 May 2018
Scott Spirit[1]	2,000 A1 Incentive Share options	Option issued 27 January 2020 following Nomination and Remuneration Committee approval December 2019

Note:
1. Scott Spirit also has an option to subscribe for up to an additional 666 A1 Incentive Shares in the event of the issue of any further Incentive Shares by the Directors. The purpose of this additional award is to ensure that his interest in the Incentive Shares is maintained at the same level (5%, being one third of the total 15%) in the event of the issue of further Incentive Shares.

There were no new Incentive shares awarded under the S4Capital 2 Limited Scheme during the year ended 31 December 2024.

The Directors of S4Capital 2 Limited have the authority to issue a further 2,000 A1 Incentive Share options. The issue of further Incentive Shares will not increase the aggregate entitlement of the holders of Incentive Shares above 15% of the growth in value of S4Capital 2 Limited.

The Incentive Shares are subject to a number of conditions, as set out below.

Terms of the S4Capital 2 Limited Scheme

The Incentive Shares entitle the holders, subject to certain performance criteria and leaver provisions, to up to 15% of the growth in value of S4Capital 2 Limited from the plan's inception provided that the growth condition (as described overleaf) has been met. The growth in value of S4Capital 2 Limited is measured against the market capitalisation of the Company based on an average of the mid-market closing price of the Ordinary Shares over the preceding 30 trading days, plus any dividends or distributions to the Company's shareowners prior to the date of calculation and then deducting the net asset value of the Company on a standalone basis, ignoring the investment in S4Capital 2 Limited and its subsidiaries, and deducting the aggregate amount invested in the Company whether in cash or by issue of shares in its acquisitions, mergers and combinations.

Provided that the growth condition has been satisfied, the Incentive Shares entitle the holders to their return upon a sale or combination of S4Capital 2 Limited, its liquidation, the takeover or combination of the Company or, if none of those events has occurred prior to 9 July 2023 (being the fifth anniversary of the combination with Media.Monks by S4Capital 2 Limited), if Sir Martin Sorrell serves notice on the Company requiring it to acquire all of the Incentive Shares eligible for sale on or before 9 July 2025 (being the seventh anniversary of the combination with Media.Monks) or such later date as the Company and each of the Incentive Share classes agree. If Sir Martin serves such a notice, the growth in value of S4Capital 2 Limited is measured against the market capitalisation of the Company based on an average of the mid-market closing price of the Ordinary Shares over the preceding 30 trading days, plus any dividends or distributions over time. Once triggered, all of the Incentive Shares eligible for sale receive value at the same time on a pro-rata basis and then automatically reset such that they may receive the same return over a second period of up to seven years, subject to extension.

The consideration payable if the Incentive Shares are triggered, save on a takeover, liquidation or combination of S4Capital 2 Limited, will be satisfied by the issue of Ordinary Shares in S4Capital plc at the average of the mid-market closing price of the Ordinary Shares over the 30 trading days preceding the triggering of the Incentive Shares.

Growth condition

The growth condition is the compound annual growth rate of the invested capital in S4Capital 2 Limited being equal to or greater than 6% per annum since the foundational investment into S4Capital 2 Limited on 29 May 2018. The growth condition takes into account the date and price at which shares in S4Capital 2 Limited have been issued, the date and price of any subsequent share issues and the date and amount of any dividends paid, or capital returned by S4Capital 2 Limited to the Company. Any cash raised by the Company from time to time has been and will continue to be invested in S4Capital 2 Limited so that the growth condition will apply to that capital also.

As at 31 December 2024, the growth condition had not been met as there had been no growth in the invested capital when measured against the Company's market capitalisation.

Compulsory redemption

If the growth condition is not satisfied on or before 9 July 2025 (being the seventh anniversary of the combination with Media.Monks), or such later date as the Company and each of the Incentive Share classes agree, the Incentive Shares must be sold to the Company at a price per Incentive Share equal to the subscription price of £25.00 per Incentive Share.

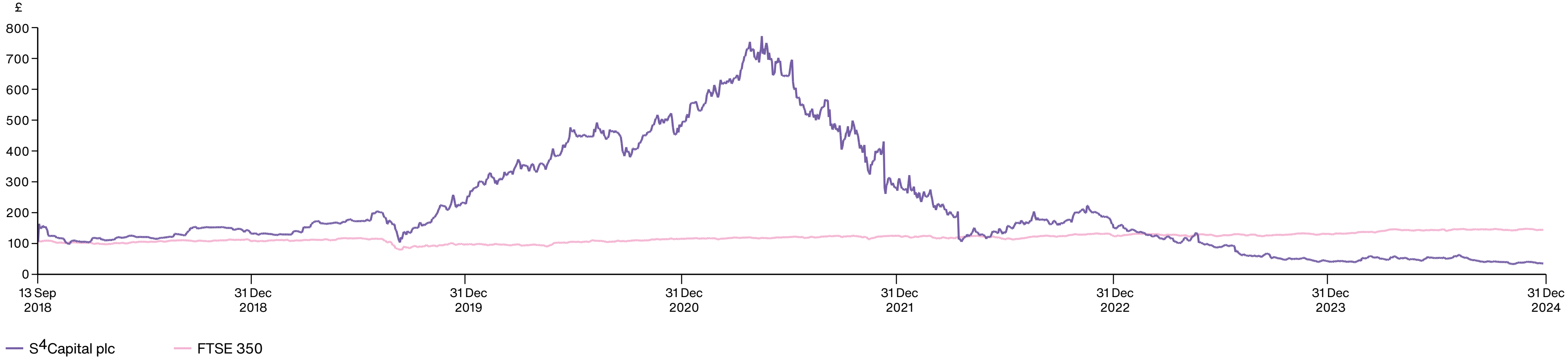
Remuneration Report continued

Leaver provisions

The Incentive Shares are subject to leaver provisions. If a holder of Incentive Shares ceases to be employed by or hold office with the Group, that holder will become a 'Leaver' and, depending on the circumstances of his or her departure, certain of his or her Incentive Shares may be subject to forfeiture.

Total Shareholder Return

The chart below illustrates the performance over the period of an investment of £100 in the Company's shares made on 13 September 2018, shortly before the Company acquired the S4Capital Group and was re-admitted to trading on the Official List, to 31 December 2024. This has been compared to the performance of the same investment on the same date in the FTSE 350. This comparator has been chosen as it is a broad equity market index of large and medium-sized UK-listed companies, many of which have an international dimension.



Source: LSEG Workspace

The table below sets out the Executive Chairman's total remuneration as a single figure, together with the percentage of maximum annual bonus awarded over the same period as the previous chart in respect of the Company's share price.

Director	Year to 31 December 2018	Year to 31 December 2019	Year to 31 December 2020	Year to 31 December 2021	Year to 31 December 2022	Year to 31 December 2023	Year to 31 December 2024
Executive Chairman single figure of remuneration (£000)	140	272	218	203	509	371	487
Annual bonus payout (% of maximum)	100%	85%	75%	0%	40%	0%	37%
Share award vesting (% of maximum)	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Remuneration Report continued

Percentage change in remuneration of Directors compared to employees

The table below shows the year-on-year percentage change in salary, benefits and bonus for each Director for each of the last five financial years, compared with the average change in employee pay.

The figures for the Directors are based on the disclosures in the single total figure table on page 91 and the corresponding tables from previous Directors' Remuneration Reports.

	2024 vs 2023			2023 vs 2022			2022 vs 2021			2021 vs 2020			2020 vs 2019		
	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus
Executive Directors															
Sir Martin Sorrell	0.8%	17.4%	100%	3%	22.6%	(100%)	150%	14%	100%	33%	62%	(100%)	(25%)	(21%)	(12%)
Mary Basterfield[1,3]	5.2%	25%	100%	3%	100%	(100%)	–	–	–	–	–	–	–	–	–
Non-Executive Directors															
Rupert Faure Walker	10.4%	–	–	11.8%	–	–	-4%	–	–	32%	–	–	35%	–	–
Sue Prevezer	28.9%	–	–	0%	–	–	0%	–	–	36%	–	–	13%	–	–
Daniel Pinto	15.8%	–	–	0%	–	–	0%	–	–	36%	–	–	13%	–	–
Elizabeth Buchanan[1]	15.8%	–	–	0%	–	–	0%	–	–	36%	–	–	–	–	–
Margaret Ma Connolly[1]	15.8%	–	–	0%	–	–	0%	–	–	36%	–	–	–	–	–
Miles Young[1]	15.8%	–	–	0%	–	–	0%	–	–	–	–	–	–	–	–
Colin Day[1]	20.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
All UK Group employees[2]	1.3%	5.7%	(34.4%)	4%	0%	25%	4%	3%	(68%)	(6%)	(6%)	(67%)	3%	(16%)	11%

Notes:
1. Percentage change not shown for these Directors in certain periods as they had part-year service for one of the comparative periods.
2. Included to provide a more representative sample of the wider employee base in the UK. The listed entity, S4Capital plc, has no direct employees.
3. The movements against 2023 for benefits for Mary Basterfield have been restated to include the value of the health insurance premium received in 2023.

Pay ratio

The table below reports the pay ratio for the year ended 31 December 2024 and has been calculated using the method known as Option A, which involves calculating a single figure for each UK employee based on their actual pay for the year. This ensures that the most accurate information is used for the purposes of calculating the ratio and is the option most favoured by investors.

Year[1]	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2024	Option A	11.5	7.9	5.8
Total pay and benefits £000		42	62	84
Salary £000		39	58	79
2023	Option A	8.4	6.0	4.5
2022	Option A	12.1	8.5	6.2
2021	Option A	5.0	3.6	2.6
2020	Option A	5.3	3.7	2.8
2019	Option A	6.8	5.8	4.1

Note:
1. The calculations of the pay for the employees at the different levels have been calculated as of 31 December of each relevant year.

Remuneration Report continued

A full-time equivalent calculation has been applied to the pay of part-time employees and those leaving or joining during each year to ensure an appropriate annualised comparison with the pay of the Executive Chairman. The Committee believes that the median pay ratio for 2024, as disclosed in the table above, is reflective of the current pay policies across the UK employee base at this stage, and is consistent with the wider pay, reward and progression policies affecting UK employees. Employees' pay packages are designed to be competitive and to ensure that performance as a whole is rewarded through appropriate incentive schemes. As illustrated in the table above, the 2024 pay ratio increased across all quartiles compared to the prior year, reflecting the inclusion of the Executive Chairman's bonus payment, which, at the time of writing, had not been calculated for UK employees, as well as headcount reduction actions undertaken in the last quarter.

S4Capital is a global business with approximately 7,150 employees in 33 countries. Multiple different compensation arrangements have been inherited from the various businesses acquired over the period since S4Capital was established. A key focus of management in recent years has been to ensure a greater level of harmonisation of people and compensation practices across the whole Group. Pay and benefits policies and practices are increasingly standardised across the whole Group, with fixed pay supplemented by variable compensation to reward key talent effectively in what remain very competitive employment markets. Equity is granted to selected key employees either in the form of long-term incentives (mirroring the approach taken for certain Executive Directors) or as retention awards with extended vesting periods.

The Committee regularly reviews wider workforce remuneration, with a focus on the incentives available across the organisation, cash bonus awards, equity grants to key employees and salary increases. On a number of occasions during the year, members of the Committee have engaged with representatives of the wider workforce to discuss a number of issues, including the culture of the business, performance and the experience of working for S4Capital. This, plus the insights gained from the people teams within the organisation has ensured the Committee has a good understanding of remuneration matters across the company.

Relative importance of spend on pay

The table below shows the relative importance of spend on pay for all of the Group's people in comparison to distributions to shareowners. Total pay includes wages and salaries, pension costs, social security and share-based payments. The Board is recommending a final dividend of 1 pence per share in respect of the year ended 31 December 2024.

	Year to 31 December 2024	Year to 31 December 2023	**% change**
Average number of employees	**7,498**	8,374	**-10.4**
Total personnel costs (£000)	**581,515**	670,845	**-13.3**
Total distributions to shareowners (£000)	**6,100**	–	**100**

Statement of voting on remuneration

The table below provides details of the voting results on (1) the Directors' Remuneration Report resolution presented for shareowner approval at the AGM in June 2024, and (2) the Directors' Remuneration Policy resolution presented for shareowner approval at the AGM in June 2022.

	Votes for	Votes against	Total votes cast	Votes withheld
Approve the Directors' Remuneration Report (2024 AGM)	228,268,961	24,577,121	252,846,082	165,762
	90.28%	9.72%		
Approve the Directors' Remuneration Policy (2022 AGM)	162,386,097	70,564,359	232,950,456	29,199,926
	69.71%	30.29%		

The Committee's response to the outcome of the vote on the Remuneration Policy at the 2022 AGM was described in the Remuneration Report of the Annual Report and Accounts 2023.

Nomination and Remuneration Committee membership and meetings

The Committee is comprised solely of independent Non-Executive Directors with a wide range of experience. Biographical details of the Committee Chair and members can be found on pages 60 to 63. The Committee met seven times during the year and the meeting attendance of the Committee members can be found on page 68. Additional attendees at Committee meetings may include the Executive Chairman, Group Chief Financial Officer, Global Chief People Officer, Company Secretary and Deputy Company Secretary, and the Head of Equity and Executive Remuneration. No individual participates in decisions regarding his or her own remuneration.

Remuneration Report continued

The Board is satisfied that the Committee has the resources and expertise to fulfil its responsibilities and the Committee is authorised to seek external legal or independent advice as it sees fit.

The Terms of Reference for the Committee were last reviewed in December 2024. A copy of the Committee's current Terms of Reference can be found on the Company's website.

External advisers

Korn Ferry is the Committee's remuneration adviser and was appointed by the Committee in 2019 following the Committee's decision to seek regular external advice on remuneration matters and consideration of potential providers. Korn Ferry provides independent commentary and advice, together with updates on legislative requirements, best practice and market practice to assist with its decision making. The fees paid to Korn Ferry in respect of work carried out for the Committee during 2024 totalled £76,750. Fees are determined on a time and materials basis using standard hourly rates for Korn Ferry consultants.

The Committee undertakes due diligence to ensure that the remuneration advisers remain independent of the Group and that the advice provided is impartial and objective. Korn Ferry reports directly to the Committee and is a member of the Remuneration Consultants Group and operates under its code of conduct. No other services were provided by Korn Ferry to the Company during 2024.

Implementation of Remuneration Policy for 2025

Subject to shareowner approval of the new Directors' Remuneration Policy at the 2025 AGM, the Nomination and Remuneration Committee intends to implement the Policy as follows.

Basic salary

Mary Basterfield will not receive a basic salary increase in 2025. The Committee has not yet finalised a decision on any other Executive Director for 2025. Any increase, if agreed, will be effective no earlier than 1 April 2025. Full disclosure of any changes to Directors' salaries will be provided in next year's Directors' Remuneration Report at the latest.

Pension and benefits

Executive Directors' pension provision will continue unchanged. Pension contributions for Sir Martin Sorrell and Mary Basterfield will be at a rate of 4% of basic salary.

Benefits provided will be similar to those provided in 2024.

Annual bonus

The Committee has decided that the annual bonus scheme for 2025 will operate in a broadly similar manner to that in place for 2024. 75% of the bonus will again be payable by reference to performance measured against financial metrics, including net revenue, EBITDA, EBITDA margin and EBITDA to cash conversion. The remaining 25% will be payable by reference to key non-financial objectives, including ESG and DE&I performance, and measures linked to the ongoing integration of the various businesses within S4Capital and the increased use of AI across the business. The specific targets are currently considered commercially confidential but full details will be disclosed in next year's Remuneration Report after the end of the performance period. The maximum bonus opportunity for 2025 will remain at 100% of basic salary. Any bonus payment for Mary Basterfield will be pro-rated to reflect her period of service.

The bonus scheme includes the discretion to adjust formulaic outcomes as well as recovery and withholding provisions, as summarised in the Directors' Remuneration Policy.

Share incentives

Mary Basterfield will receive a further award of shares in 2025 with a face value at grant of £500,000, being the final award under the terms of the agreement reached with Mary at the time of her appointment in 2021. This award will be subject to the satisfaction of targets based on key performance conditions measured over the financial year ending 31 December 2025. As for 2024, the precise performance targets will mirror those for the annual bonus scheme. The targets are considered commercially confidential and will be disclosed in next year's Directors' Remuneration Report. To the extent that the performance targets are satisfied, the award will vest on a pro-rata basis in August 2026, this being four years after the grant of the first award under these arrangements. The award will be split equally between market-priced options and conditional shares.

At this stage the Committee has not made any final decisions regarding the potential grant of long-term incentive awards to Executive Directors in 2025. Any awards will be consistent with the terms of the Directors' Remuneration Policy, with full details provided in next year's Remuneration Report.

Non-Executive Directors

The Non-Executive Directors receive a base fee of £50,000, with an additional fee of £10,000 paid the Senior Independent Director and the Chair of the Nomination and Remuneration Committee, and an additional £12,500 paid to the Chair of the Audit and Risk Committee. The Board has not yet reached a final decision on any fee increases for 2025. Any changes to fee levels will be disclosed in next year's Directors' Remuneration Report.

Directors' Report

S4Capital plc is incorporated and domiciled in the UK and is registered in England and Wales with the registered number 10476913. The correspondence address and registered office of the Company is 12 St James's Place, London SW1A 1NX.

This report has been drawn up and presented in accordance with, and in reliance upon, applicable English law and the liabilities of the Directors in preparing this report shall be subject to the limitations and restrictions provided by such law. The Director's Report is designed to inform shareowners and help them assess how the Directors have performed their duty to promote the success of the Company.

Strategic Report and Corporate Governance

The Strategic Report can be found on pages 7 to 24 and 51 to 56 and is included by reference into this Directors' Report. The Strategic Report sets out the development and performance of the Group's business during the financial year, the position of the Group at the end of the period, an outlook containing an indication of future developments within the industry, a description of the principal risks and uncertainties facing the Group, details of the Group's Diversity, Equity & Inclusion Policy and reporting of ESG activities. The Strategic Report also sets out a summary of how the Directors have engaged with our people as well as how the Directors have had regard to the need to foster the Group's business relationships with suppliers, clients and others, in line with Section 172 (page 52). The other sections of the Group's Governance Report are also included by reference into this report.

Directors and their interests

Biographies of the Directors who served on the Board during the year ended 31 December 2024 and up to the date of signing of the financial statements are set out on pages 60 to 63. As set out in the Notice of Annual General Meeting, all the Directors will retire at this year's Annual General Meeting (AGM) and, with the exception of Mary Basterfield, will submit themselves for election and re-election by shareowners. All Directors seeking appointment and reappointment were subject to a formal and rigorous performance evaluation, further details of which can be found on pages 71 and 72. Details of Directors' service contracts are set out in the Directors' Remuneration Report on page 88. The interests of the Directors in the shares of the Company are also shown on page 95 of that report.

Other than the Incentive Shares held by Sir Martin Sorrell (as disclosed on page 96, no Directors have beneficial interests in the shares of any subsidiary company.

Dividend

No dividend was declared or paid in during the year to 31 December 2024. The Directors are proposing that, subject to shareowner approval, a final dividend of 1 pence per share be paid on 10 July 2025 to all shareowners on the record on 6 June 2025 (2023: £nil).

Capital structure

As at 23 March 2025, the Company's issued share capital comprised of 619,636,656 Ordinary Shares of £0.25 each and one B Share of £1.00. 6,000,000 Ordinary Shares are currently held in treasury. The Company was authorised at the 2024 AGM to allot up to 194,497,148 Ordinary Shares as permitted by the Act. A renewal of a similar authority will be proposed at the 2025 AGM. The Company's issued share capital as at 31 December 2024, together with details of shares issued during the year, is set out in note 21 to the Financial Statements on page 148.

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. The holder of the B Share has no right to receive dividends and is entitled to one vote at general meetings of the Company when voting in favour of resolutions, and such number of votes as may be required to defeat the relevant resolution when voting against.

Any appointment and removal of a Director requires the consent of Sir Martin Sorrell as the holder of the B Share. The processes for the appointment and replacement of Directors are governed by the Company's Articles of Association, the 2018 UK Corporate Governance Code, the Companies Act 2006 and related legislation. The powers of Directors are described in the Articles, which can be found on our website.

Restrictions on transfer of securities

The Ordinary Shares are freely transferable and there are no restrictions on transfer. Except for Sir Martin Sorrell, who holds the B Share. No other person holds securities in the Company carrying special rights with regard to control of the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or voting rights.

Articles of Association

The Company's Articles were adopted at the 2022 Annual General Meeting (AGM) and may only be amended by a special resolution of the shareowners. The Articles can be found on our website, www.s4capital.com.

Authority to purchase shares

The Company was given authority at its AGM in 2024 to make market purchases of Ordinary Shares up to a maximum number of 58,349,144 Ordinary Shares. During the year 6,000,000 Ordinary Shares were repurchased, which are held as treasury shares in accordance with the provisions of the Companies Act 2006.

The Directors believe that it is desirable to have the general authority to buy back the Company's Ordinary Shares in order to provide maximum flexibility in the management of the Group's capital resources, and accordingly, propose to renew these authorities at the

Directors' Report continued

2025 AGM for a further year. This authority will only be used if the Board was satisfied at the time that to do so would be in the best interests of shareowners.

Insurance and indemnities

The Company maintains Directors' and Officers' liability insurance in respect of legal action that might be brought against its Directors and Officers. As permitted by the Company's Articles of Association (the 'Articles'), and to the extent permitted by law, the Company indemnifies each of its Directors and other Officers of the Group against certain liabilities that may be incurred as a result of their positions with the Group. The indemnities were in force throughout the tenure of each Director during the last financial year and are currently in force. The Group's financial risk management policies and objectives can be found in Note 20 on page 144 of the financial statements.

Substantial shareholders

As at 31 December 2024 and 23 March 2025, the Company has received notification of the following interest in voting rights pursuant to the Disclosure Guidance and Transparency Rules:

	Number of Shares	% shareholding
Sir Martin Sorrell[1]	54,229,594	9.442
Oro en Fools B.V.	35,092,132	6.110
Patient Capital Management	29,968,483	5.150
The Capital Group Companies	28,979,522	4.970

Note:

1. In addition, Sir Martin Sorrell has, in aggregate, donated 3,910,000 Ordinary Shares to the UBS Donor Advised Foundation.

Employees

The Board recognises the importance of attracting, developing and retaining the best people. In accordance with best practice, we have employment policies in place which provide equal opportunities for all employees, irrespective of age, sex, race, colour, disability, sexual orientation, religious beliefs, socio-economic background education and professional backgrounds or marital status. The Group also materially complies with all applicable national and international human and labour rights within the locations in which it operates. Further information on the Board's methods for engaging with the workforce is on page 73.

Significant agreements

The Group's term loan and revolving facility contain customary prepayment, cancellation and default provisions including, if required by a lender, mandatory prepayment of all utilisations provided by that lender upon the sale of all or substantially all of the business and assets of the Group or a change of control. The Company does not have agreements with any Director that would provide compensation for loss of office or employment resulting from a takeover except for provisions, which may cause awards granted under such arrangements to vest on a takeover.

Political donations

The Group's policy prohibits any donations being made for or on behalf of the Group for political purposes, accordingly, the Group did not make any donations or contributions to any political party or other political organisation and did not incur any political expenditure within the meanings of sections 362 to 379 of the Companies Act 2006.

Independent auditors

PricewaterhouseCoopers LLP has confirmed its willingness to continue as auditors of the Group. In accordance with section 489 of the Companies Act 2006, separate resolutions for the appointment of PricewaterhouseCoopers LLP as auditors of the Group and for the Directors to determine its remuneration will be proposed at the forthcoming AGM of the Company.

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and that each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and ensure that the auditor is aware of such information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Post balance sheet events

On the 23 March 2025 the Board proposed a final dividend of 1p per share, amounting to £6.1 million, subject to shareowner approval. This will be paid on 10 July 2025 to all shareowners on the register as at 6 June 2025.

Directors' Report continued

Annual General Meeting

The AGM of the Company will be held at midday on 4 June 2025 at Monks, 15 Bonhill Street, London, EC2A 4DN. For participation details please refer to the Notice of AGM which will be posted to shareowners and available on our website www.s4capital.com in due course.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

Directors' confirmations

Each of the Directors, whose names and functions are listed in the Governance Report confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

On behalf of the Board:

Martin Sorrell

Sir Martin Sorrell
Executive Chairman

23 March 2025

Mary Basterfield
Group Chief Financial Officer

23 March 2025

Financial statements

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Independent auditors' report to the members of S4Capital plc

Report on the audit of the financial statements

Opinion

In our opinion:

- S4Capital plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2024 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2024 (the "Annual Report"), which comprise: the Consolidated and Company balance sheets as at 31 December 2024; the Consolidated statement of profit or loss, the Consolidated statement of comprehensive income, the Consolidated and Company statements of changes in equity and the Consolidated statement of cash flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 6, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Context

S4Capital plc is a United Kingdom-based public company limited by shares. S4Capital Group's principal activities are focused on the provision of tech-led, new age/new era digital advertising, marketing and technology services via three operating segments: Content, Data & Digital Media (DDM) and Technology Services (TS). Following the acquisition in prior years of a number of businesses the Group has significant goodwill and intangible assets and it is now focussed on integrating the acquired businesses. There is also a significant investment value held on the company balance sheet relating to these acquisitions.
Within the Group's business operations, there are material fixed fee contracts which require judgement in revenue recognition. We have considered these factors in our risk assessment and designed appropriate audit procedures in response to the related identified risks.
Further details regarding our audit procedures over management's impairment assessment and revenue recognition on fixed fee contracts are set out within our key audit matters.

Overview

Audit scope

- Our audit encompassed full scope audits of 6 components. Additionally, we conducted specified procedures over specific account balances for 11 components; and
- Taken together, the components subjected to audit and specified procedures accounted for 79% of the Group's consolidated revenue.

Key audit matters

- Impairment of goodwill and intangible assets (group)
- Impairment of investment in subsidiary (company)
- Accuracy of revenue recognition on fixed fee contracts (group)

Materiality

- Overall group materiality: £8.2 million (2023: £10.0 million) based on approximately 1% of revenue.
- Overall company materiality: £6.0 million (2023: £11.1 million) based on approximately 1% of total assets.
- Performance materiality: £6.15 million (2023: £6.5 million) (group) and £4.7 million (2023: £7.25 million) (company).

Independent auditors' report to the members of S4Capital plc continued

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill and intangible assets (group) At 31 December 2024, the Group had goodwill of £391.2 million (2023: £691.3 million) and intangible assets of £315.2 million (2023: £381.6 million), following the recognition of impairment charges during the year of £280.4 million to goodwill and £20.8 million to intangible assets. The annual goodwill impairment assessment was performed as at 30 September 2024. The determination of whether an impairment exists can be judgemental. Management must determine the recoverable amount when impairment indicators are identified or annually where a CGU contains goodwill. The determination of recoverable amount, being the higher of value-in-use ("VIU") and fair value less costs of disposal ("FVLCD"), requires judgement and estimation on the part of management in identifying and then determining the recoverable amounts for the relevant CGUs. The recoverable amounts were calculated on a VIU basis incorporating management's view of key assumptions which include net revenue growth rates and EBITDA margins. Management concluded that there was impairment in goodwill in the Content CGU and in goodwill and intangible assets in the Technology Services CGU. Whilst no impairment was identified in the DDM CGU, this conclusion was found to be sensitive to changes to key assumptions. Refer to the accounting policies section within the financial statements for disclosure of the related accounting policies, judgements and estimates, Note 10 for detailed goodwill disclosures and Note 11 for detailed intangible asset disclosures within the consolidated financial statements.	With respect to goodwill, our audit procedures focused on challenging and evaluating the discount rates, short-term forecasts and long-term growth rates used in the respective discounted cash flow models to determine the recoverable amount of each CGU and included the following audit procedures: ▪ assessed the appropriateness of management's identification of the Group's CGUs; ▪ verified the integrity of the formulae and the mathematical accuracy of management's valuation models; ▪ held discussions with the finance team leaders responsible for forecasts and with a sample of account managers who had prepared the underlying account budgets in each practice, in order to evaluate the Group's cash flow forecasts, and the process by which they were prepared; ▪ held discussions with Group executives responsible for growth and transformation programmes to corroborate the progress of these initiatives and the impact on cash flow forecasts; ▪ confirmed that the forecasts used in management's impairment test were approved by the board of directors and assessed the reasonableness of the revenue, costs and margins included in those forecasts based on our understanding of the Group and its past performance, including the impact of climate change; ▪ assessed management's forecasts against external market indicators such as wider digital advertising growth trends and independent analyst reports; ▪ evaluated management's ability to accurately forecast future revenues and growth rates by comparing actual results to management's historical forecasts; ▪ with the assistance of our valuations specialists, we assessed the discount rates and long term growth rates used in the models and whether the rates fell within a reasonable range taking into consideration both internal and external market data; ▪ performed sensitivity analysis through varying key assumptions based on findings from the above procedures; ▪ evaluated the Group's disclosures on goodwill and intangible assets and related impairments against the requirements of UK-adopted international accounting standards. Based on the procedures performed, we noted no material issues arising from our work.

Independent auditors' report to the members of S4Capital plc continued

Key audit matter	How our audit addressed the key audit matter
Impairment of investment in subsidiary (company) At 31 December 2024, the Company held investments in its subsidiary amounting to £597.3 million (2023: £1.11 billion), following the recognition of an impairment charge in the year of £522.7 million (2023: nil). The investment in subsidiary is accounted for at historical cost less accumulated impairment. Judgement is required to assess if impairment triggers exist and where triggers are identified, if the investment carrying value is supported by the recoverable amount. In assessing impairment triggers, management considers if the underlying net assets of the investment support the carrying amount and whether other facts and circumstances would be indicative of a trigger. Management identified indications of impairment in their annual impairment assessment of Group goodwill and intangibles as described above. Following this, management performed an impairment test to determine whether the recoverable amount exceeded the carrying amount of the company's investment in the subsidiary. The determination of recoverable amount, being the higher of value-in-use ("VIU") and fair value less costs of disposal ("FVLCD"), requires estimation on the part of management in determining the recoverable amount of the subsidiary. The recoverable amount was calculated on a VIU basis incorporating management's view of key assumptions which include net revenue growth rates and EBITDA margins. Management concluded that there was impairment in the investment in subsidiary. Refer to the accounting policies section within the financial statements for disclosure of the related accounting policies, judgements and estimates and Note 1 to the company financial statements for detailed impairment disclosures.	In respect of the Company's investment in subsidiary, we performed the following procedures over management's impairment test: ▪ evaluated management's assessment of impairment indicators for the investment in subsidiary including ensuring that consideration had been given to the results of the Group's goodwill impairment assessment (see impairment of goodwill and intangible assets Key audit matter above); ▪ evaluated the appropriateness of management's assessment and judgements to calculate value in use in conjunction with the goodwill and intangible impairment test referred to in the above key audit matter; ▪ verified the mathematical accuracy of management's assessment and that the cash flows used for the value in use calculation were adjusted for the contractual cash outflows relating to the outstanding debt; and ▪ evaluated the disclosures in Note 1 of the Company financial statements. Based on the procedures performed, we noted no material issues arising from our work.

Independent auditors' report to the members of S4Capital plc continued

Key audit matter	How our audit addressed the key audit matter
Accuracy of revenue recognition on fixed fee contracts (group) The Group often enters fixed price contracts under which obligations (such as the delivery of creative content) are promised to a customer for a specific contractual price. Assessing the timing of revenue recognised on fixed fee contracts at year-end is an area of complexity and judgement is required in identifying performance obligations and whether the revenue should be recognised over time or at a point in time. Further, estimation is required in assessing the stage of delivery of performance obligations on open contracts where revenue is recognised over time. Given the complexity in estimation and judgement involved, the timing of revenue recognition and the accuracy of fixed fee contract revenue recognised in the financial statements is subject to both risk of error and fraud as there is an incentive for management to manipulate the results by allocating revenues attributable to future periods into 2024 in order to achieve targets. These factors led us to identify the revenue recognition for fixed fee contracts open as at 31 December 2024 as a key audit matter. Auditing these estimates requires extensive audit effort and a high degree of judgement given the bespoke nature of each contract and the variety of evidence needing to be assessed in order to support the percentage of completion determined. Refer to the accounting policies section within the financial statements for disclosure of the related accounting policies, judgements and estimates and Note 5 of the consolidated financial statements.	Our audit procedures to address the significant risk in relation to the accuracy of revenue recognition on fixed fee contracts included the following: ▪ We obtained an understanding of and performed walkthroughs of the controls over revenue recognition including the revenue recognition on fixed fee contracts. This included a walkthrough of controls related to management's assessment of IFRS 15 'Revenue from contracts with customers'; ▪ We assessed the revenue accounting policy to ensure it was consistent with the principles of IFRS 15 and in particular the correct application of IFRS 15 with regards to recognising revenue over time; ▪ We evaluated the accuracy of management's previous estimates of stage of completion and forecasts of effort to complete projects by performing retrospective reviews of such estimates as compared to actual results for performance obligations that have been fulfilled; ▪ We selected a sample of contracts with customers and performed the following audit procedures; – assessed contractual terms (e.g. acceptance criteria, delivery and payment terms) to ensure that these terms were applied correctly within each project; – evaluated the reasonableness and consistency of the methods and assumptions used by management to develop the estimate with respect to the effort to complete and stage of delivery of the relevant performance obligations; – considered whether there was any evidence which contradicted management's assumptions regarding the percentage of completion and the estimated effort to complete; and – recalculated revenue recognised based on the proportion of the service performed in respect of each performance obligation by obtaining support for service delivery or schedules of estimated effort to complete from project managers and challenging the key supporting evidence to test its completeness and accuracy. Based on the procedures performed, we noted no material issues arising from our work.

Independent auditors' report to the members of S4Capital plc continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The Group is organised into three reportable segments – Content, DDM and TS. The Group's accounting processes for its operations are structured around a local finance function at each component, which are supported by the practice finance team and the Group's central functions in the United Kingdom. Each component reports to the Group through an integrated consolidation system. For the purposes of our scoping, we have also considered the levels at which management prepared aggregated financial information.

We scoped in 6 components requiring an audit of their complete financial information, of which 5 were considered to be significant due to risk or size. Of the 5 significant components, 4 were audited by our component teams in the US and Germany and 1 by the group engagement team.

In addition, 11 components were scoped in for the performance of specified procedures over specific account balances and transactions to obtain appropriate coverage of all material balances. Specified procedures were performed for these components by the group engagement team along with PwC component auditors in Argentina, Colombia, France, and Brazil.

Taken together, the components subjected to audit and specified procedures accounted for 79% of the Group's consolidated revenue.

The group engagement team were significantly involved at all stages of the component audits by virtue of numerous communications throughout, including the issuance of detailed audit instructions and review and discussions of the audit approach and findings, in particular over our areas of focus. This also involved regular component calls through video conferencing. The group engagement team met with local management and the component audit teams and attended their interim and completion clearance meetings.

The group engagement team members visited component teams in the US, Argentina, France and Brazil as part of our oversight procedures. In addition, we reviewed the component team reporting results and their supporting working papers, which together with the additional procedures performed at group level, gave us the evidence required for our opinion on the financial statements as a whole. We performed centralised audit procedures over consolidation, goodwill and intangible assets impairment assessment, right of use assets and lease liabilities, cash and cash equivalents (for components not in scope for full scope audit or specified audit procedures), share-based payments and borrowings.

The financial statements of the Company are prepared using the same accounting processes and controls as the Group's central functions and were audited by the group engagement team. This includes the procedures performed in relation to impairment of investment in subsidiary as explained in the key audit matters section above.

The impact of climate risk on our audit

As part of our audit, we made enquiries of management to understand their process to assess the extent of the potential impact of climate change on the Group and its financial statements. The Group explains the impact of climate change on its business within the 'Sustainability Statement'.

As a result of our procedures, we concluded that the key areas in the financial statements which are more likely to be materially impacted by climate change are those areas that are based on forecast cash flows. As such, we particularly considered how the commitments made by the Group would impact the assumptions made in the forecasts prepared by management that are used in the Group's impairment assessment, for assessing both the recoverability of goodwill and intangible assets and the investment held by the Company. We did not identify any matters as part of this work which were inconsistent with the disclosures in the Annual Report or led to any material adjustments to the accounts.

Our procedures included reading the disclosures in relation to climate change within the Annual Report and considering its consistency with the financial statements and our knowledge from the audit. We did not identify any material impact on our key audit matters or the wider audit for the year ended 31 December 2024.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Independent auditors' report to the members of S4Capital plc continued

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	£8.2 million (2023: £10.0 million)	£6.0 million (2023: £11.1 million)
How we determined it	approximately 1% of revenue	approximately 1% of total assets
Rationale for benchmark applied	We have consistently used revenue to determine materiality as opposed to a profit based benchmark as there is considerable volatility in profit before tax. Revenue continues to be a key performance metric for the group and is considered to be more stable than a profit based metric.	We considered the total assets to be an appropriate benchmark for the Company, given that it is the ultimate holding company and holds a material investment in a subsidiary undertaking. Total assets is also a generally accepted auditing benchmark.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £0.8 million and £7.3 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 65%) of overall materiality, amounting to £6.15 million (2023: £6.5 million) for the group financial statements and £4.7 million (2023: £7.25 million) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £410,000 (group audit) (2023: £500,000) and £315,000 (company audit) (2023: £500,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- reading management's paper to the Audit and Risk Committee in respect of going concern, and agreeing the forecasts set out in this paper to the underlying base case cash flow model and board approved budgets;
- obtaining and examining management's base case and severe but plausible downside scenarios;
- evaluating the key assumptions within management's forecasts and applying our own independent sensitivities based on our knowledge from the audit and assessment of previous forecasting accuracy;
- considering the historical reliability of management's forecasting for cash flows and net debt by comparing budgeted results to actual performance;
- assessing the level of remaining liquidity available to the Group under both the base case and severe but plausible downside scenario;
- identifying the covenants applicable to the Group's borrowings and auditing whether management's assessment supports ongoing compliance with those covenants under both base case and severe but plausible downside scenarios;
- evaluating the appropriateness of management's mitigating actions considered in the severe but plausible downside scenario; and
- considering the appropriateness of the disclosure given in note 2C to the consolidated financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Independent auditors' report to the members of S4Capital plc continued

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' Remuneration

In our opinion, the part of the Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

ISAs (UK) require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code, which the Listing Rules of the Financial Conduct Authority specify for review by the auditor. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Governance Report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

Independent auditors' report to the members of S4Capital plc continued

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company'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 the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment, health and safety regulations and data protection regulations (including the General Data Protection Regulation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax legislation and Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or profits and management bias within accounting estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Understanding and evaluating the design and implementation of controls designed to prevent and detect fraud;
- Inquiry of management, the Audit and Risk Committee, Internal Audit and the Group's internal legal counsel regarding their consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Assessment of the Group's whistleblowing facility and matters reported through the facility;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- Identifying and testing intercompany balances to ensure they were genuine and were eliminated appropriately within the consolidated financial statements; and
- Challenging assumptions and judgements made by management in respect of critical accounting judgements and significant accounting estimates, and assessing these judgements and estimates for management bias.

Independent auditors' report to the members of S4Capital plc continued

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the members on 28 January 2019 to audit the financial statements for the year ended 31 December 2018 and subsequent financial periods. The period of total uninterrupted engagement is seven years, covering the years ended 31 December 2018 to 31 December 2024.

Other matter

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Jason Burkitt (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23 March 2025

Consolidated statement of profit or loss

For the year ended 31 December 2024

	Notes	2024 £m	2023 Restated[1] £m
Revenue	5	848.2	**1,011.5**
Direct costs		(93.6)	(138.3)
Net revenue		754.6	873.2
Personnel costs	6	(581.5)	(670.8)
Other operating expenses	6	(78.7)	(92.6)
Acquisition, restructuring and other one-off expenses	6	(23.8)	(11.9)
Depreciation, amortisation and impairment	6	(373.5)	(77.9)
Share of profit of joint venture and associates	14	0.1	0.2
Total operating expenses		(1,057.4)	(853.0)
Operating (loss)/profit		(302.8)	**20.2**
Adjusted operating profit		78.3	82.0
Adjusting items[2]		(381.1)	(61.8)
Operating (loss)/profit		(302.8)	20.2
Finance income	7	5.3	2.8
Finance costs	7	(31.7)	(38.2)
Net finance costs		(26.4)	(35.4)
(Loss)/gain on the net monetary position		(1.7)	1.3
Loss before income tax		(330.9)	**(13.9)**
Income tax credit/(expense)[3]	8	24.0	(0.4)
Loss for the year		(306.9)	**(14.3)**

	Notes	2024 £m	2023 Restated[1] £m
Attributable to owners of the Company		(306.9)	(14.3)
Attributable to non-controlling interests		–	–
		(306.9)	**(14.3)**
Loss per share is attributable to the ordinary equity holders of the Company			
Basic loss per share (pence)	9	(45.7)	(2.2)
Diluted loss per share (pence)	9	(45.7)	(2.2)

Notes:

1. The comparatives for the year ended 31 December 2023 have been restated to account for the recognition of deferred tax balances related to certain business combinations in prior years (see Note 2).
2. Adjusting items comprises amortisation of £44.3 million (2023: £48.6 million), impairment of intangible assets of £301.2 million (2023: £nil), acquisition expenses of £1.3 million gain (2023: £9.2 million gain), share-based payments of £6.5 million (2023: £10.1 million) and restructuring and other one-off expenses of £30.4 million (2023: £12.3 million).
3. Income tax credit includes £20.8 million credit relating to the deferred tax impact of the impairment charge of £301.2 million, resulting in a net impairment charge of £280.4 million.

The results for the year are wholly attributable to the continuing operations of the Group.

The accompanying notes on pages 119 to 157 form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2024

	2024 £m	2023 Restated[1] £m
Loss for the year	**(306.9)**	**(14.3)**
Other comprehensive expense		
Items that may be reclassified to profit or loss		
Foreign operations – foreign currency translation differences	(16.8)	(54.6)
Other comprehensive expense	(16.8)	(54.6)
Total comprehensive expense for the year	**(323.7)**	**(68.9)**
Attributable to owners of the Company	(323.7)	(68.9)
Attributable to non-controlling interests	–	–
	(323.7)	**(68.9)**

Note:
1. The comparatives for the year ended 31 December 2023 have been restated to account for the recognition of deferred tax balances related to certain business combinations in prior years (see Note 2).

The accompanying notes on pages 119 to 157 form an integral part of these consolidated financial statements.

Consolidated balance sheet

At 31 December 2024

	Notes	2024 £m	2023 Restated[1] £m	2022 Restated[1] £m
Assets				
Goodwill	10	391.2	691.3	718.8
Intangible assets	11	315.2	381.6	445.2
Right-of-use assets	12	34.7	45.8	55.7
Property, plant and equipment	13	16.4	21.9	29.7
Interest in joint ventures and associates	14	0.8	0.2	–
Deferred tax assets	15	49.0	24.7	14.9
Other receivables	16	9.2	13.7	12.2
Non-current assets		**816.5**	**1,179.2**	**1,276.5**
Trade and other receivables	16	450.8	407.5	442.4
Current tax assets		9.6	4.9	–
Cash and cash equivalents	17	168.4	145.7	223.6
Current assets		**628.8**	**558.1**	**666.0**
Total assets		**1,445.3**	**1,737.3**	**1,942.5**
Liabilities				
Deferred tax liabilities	15	(18.6)	(24.1)	(28.5)
Loans and borrowings	19	(307.2)	(320.9)	(326.2)
Lease liabilities	12	(29.7)	(35.8)	(43.1)
Contingent consideration and holdbacks	20	(4.8)	(7.3)	(11.3)
Provisions		(3.5)	(2.7)	(5.7)
Non-current liabilities		**(363.8)**	**(390.8)**	**(414.8)**
Trade and other payables	18	(482.0)	(418.1)	(443.2)
Contingent consideration and holdbacks	20	(4.7)	(18.2)	(177.3)
Loans and borrowings	19	(0.2)	(0.2)	(0.7)
Lease liabilities	12	(12.8)	(13.2)	(15.3)
Provisions		(0.8)	(1.0)	–
Current tax liabilities		(3.5)	(3.9)	(6.0)
Current liabilities		**(504.0)**	**(454.6)**	**(642.5)**
Total liabilities		**(867.8)**	**(845.4)**	**(1,057.3)**

	Notes	2024 £m	2023 Restated[1] £m	2022 Restated[1] £m
Net assets		**577.5**	**891.9**	**885.2**
Equity				
Share capital		154.9	145.9	142.0
Share premium		164.9	80.4	5.9
Other reserves[2]		70.7	162.7	175.2
Foreign exchange reserves		(22.9)	(6.1)	48.5
Retained earnings		209.8	508.9	513.5
Attributable to owners of the Company		**577.4**	**891.8**	**885.1**
Non-controlling interests	21	0.1	0.1	0.1
Total equity		**577.5**	**891.9**	**885.2**

Notes:

1. The comparatives as at 31 December 2023 and 31 December 2022 have been restated to account for the recognition of deferred tax balances related to certain business combinations in prior years (see Note 2).
2. During the year the Group completed a share buy-back scheme and purchased 6,000,000 shares for £2.5 million.

The accompanying notes on pages 119 to 157 form an integral part of these consolidated financial statements.

The consolidated financial statements of S4Capital plc on pages 158 to 163, Company registration number 10476913, were approved by the Board of Directors on 23 March 2025 and signed on its behalf by:

Sir Martin Sorrell
Executive Chairman

Mary Basterfield
Group Chief Financial Officer

Consolidated statement of changes in equity

For the year ended 31 December 2024

	Notes	Share capital[1] £m	Share premium £m	Other Reserves[2] £m	Foreign exchange reserves £m	Retained earnings/ (accumulated losses) £m	Attributable to owners of the Company £m	Non-controlling interests £m	Total equity £m
At 1 January 2023[3]		**142.0**	**5.9**	**175.2**	**48.5**	**478.4**	**850.0**	**0.1**	**850.1**
Deferred tax restatement		–	–	–	–	35.1	35.1	–	35.1
Hyperinflation restatement		–	–	2.6	–	–	2.6	–	2.6
Adjusted opening balance		**142.0**	**5.9**	**177.8**	**48.5**	**513.5**	**887.7**	**0.1**	**887.8**
Comprehensive expense for the year									
Loss for the year[3]		–	–	–	–	(14.3)	(14.3)	–	(14.3)
Other comprehensive expense		–	–	–	(54.6)	–	(54.6)	–	(54.6)
Total comprehensive expense for the year		**–**	**–**	**–**	**(54.6)**	**(14.3)**	**(68.9)**	**–**	**(68.9)**
Transactions with owners of the Company									
Business combinations	21	3.9	74.5	(15.7)	–	–	62.7	–	62.7
Share-based payments	23	–	–	0.6	–	9.7	10.3	–	10.3
Share buy-backs		–	–	–	–	–	–	–	–
At 31 December 2023[3]		**145.9**	**80.4**	**162.7**	**(6.1)**	**508.9**	**891.8**	**0.1**	**891.9**
At 1 January 2024		**145.9**	**80.4**	**162.7**	**(6.1)**	**508.9**	**891.8**	**0.1**	**891.9**
Hyperinflation restatement		–	–	4.5	–	–	4.5	–	4.5
Adjusted opening balance		145.9	80.4	167.2	(6.1)	508.9	896.3	0.1	896.4
Comprehensive expense for the year									
Loss for the year		–	–	–	–	(306.9)	(306.9)	–	(306.9)
Other comprehensive expense		–	–	–	(16.8)	–	(16.8)	–	(16.8)
Total comprehensive expense for the year		–	–	–	(16.8)	(306.9)	(323.7)	–	(323.7)
Transactions with owners of the Company									
Business combinations	21	9.0	84.5	(94.9)	–	1.8	0.4	–	0.4
Share-based payments	23	–	–	0.9	–	6.0	6.9	–	6.9
Share buy-backs		–	–	(2.5)	–	–	(2.5)	–	(2.5)
At 31 December 2024		154.9	164.9	70.7	(22.9)	209.8	577.4	0.1	577.5

Notes:

1. At the end of the reporting period, the issued and paid up share capital of S4Capital plc consisted of 619,636,656 (2023: 583,064,256) Ordinary Shares having a nominal value of £0.25 per Ordinary Share.
2. Other reserves primarily includes the deferred equity consideration arising from business combinations of £61.3 million (2023: £156.2 million), made up of the following: TheoremOne for £26.4 million, Raccoon for £17.4 million, XX Artists for £17.5 million, the treasury shares issued in the name of S4Capital plc to an employee benefit trust for the amount of £0.3 million (2023: £1.2 million), share buy-backs of £2.5 million (2023: £nil) and hyperinflation restatement in Argentina of £12.0 million (2023: £7.5 million).
3. The comparatives as at 31 December 2023 and 1 January 2023 have been restated to account for the recognition of deferred tax balances related to certain business combinations in the prior periods (see Note 2).

The accompanying notes on pages 119 to 157 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Cash flows from operating activities			
Loss before income tax		(330.9)	**(13.9)**
Net finance costs	7	26.4	35.4
Depreciation, amortisation and impairment	6	373.5	77.9
Share-based payments	23	6.8	10.1
Acquisition, restructuring and other one-off expenses	6	23.8	11.9
Employment linked contingent consideration paid[1]	20	(2.9)	(77.7)
Restructuring and other one-off expenses paid		(21.1)	(20.8)
Share of profit in joint venture	14	(0.1)	(0.2)
Loss/(gain) on the net monetary position		1.7	(1.3)
Other non-cash items		2.0	(9.8)
(Increase)/decrease in trade and other receivables		(44.4)	11.3
Increase/(decrease) in trade and other payables		58.3	(13.1)
Cash flows from operations		93.1	**9.8**
Income taxes paid		(9.0)	(20.5)
Net cash flows generated from/(used in) operating activities		84.1	**(10.7)**
Cash flows from investing activities			
Purchase of intangible assets	11	(4.2)	(2.1)
Purchase of property, plant and equipment	13	(4.0)	(5.9)
Proceeds from disposal of property, plant and equipment		0.1	–
Acquisition of subsidiaries, net of cash acquired[1]		(7.0)	(3.1)
Interest received		2.1	–
Dividends from joint venture		0.2	–
Amounts withdrawn from/(paid into) security deposits		0.5	(2.2)
Cash flows used in investing activities		(12.3)	**(13.3)**

	Notes	2024 £m	2023 £m
Cash flows from financing activities			
Proceeds from issuance of shares		–	0.2
Share buy-backs		(2.5)	–
Principal element of lease payments	12	(12.7)	(16.3)
Repayments of loans and borrowings	19	(0.2)	(0.2)
Interest and facility fees paid		(29.1)	(26.7)
Cash flows used in financing activities		(44.5)	**(43.0)**
Net movement in cash and cash equivalents		27.3	(67.0)
Cash and cash equivalents at the beginning of the year	17	145.7	223.6
Exchange loss on cash and cash equivalents		(4.6)	(10.9)
Cash and cash equivalents at the end of the year	17	168.4	**145.7**

Note:

1. Acquisitions of subsidiaries comprises contingent consideration and holdback payments, net of cash released from escrow accounts of £3.3million (2023: £2.6 million). Employment linked contingent consideration paid is net of cash released from escrow accounts of £0.6 million (2023: £nil).

The accompanying notes on pages 119 to 157 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. General information

S4Capital plc ('S4Capital' or 'Company'), is a public Company on the London Stock Exchange, limited by shares, incorporated on 14 November 2016 in England, United Kingdom. The Company has its registered office at 12 St James's Place, London, SW1A 1NX, United Kingdom. The new UK Listing Rules, which came into force on 29 July 2024, have removed the distinction between standard and premium listing categories, which are now categorised as equity shares commercial companies (ESCC). As at the date of approval of the consolidated financial statements, S4Capital plc is in the equity shares (transition) category.

The consolidated financial statements represent the results of the Company and all its subsidiaries (together referred to as 'S4Capital Group' or the 'Group'). An overview of the subsidiaries is included in Note 28. S4Capital Group's principal activities are focused on the provision of tech-led, new age/new era digital advertising, marketing and technology services.

2. Basis of preparation

A. Statement of compliance

The financial statements of S4Capital plc have 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 and disclosure guidance and transparency rules sourcebook of the United Kingdom's Financial Conduct Authority.

The consolidated financial statements were authorised for issue by the Board of Directors on 23 March 2025.

B. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Pound Sterling (£ or GBP), S4Capital plc's functional currency. All financial information in Pound Sterling has been rounded to the nearest million, unless otherwise indicated, for both current and prior years.

C. Basis of measurement

The consolidated financial statements are prepared on a going concern basis. The consolidated financial statements are prepared on the historical cost basis, except for the fair value measurement of contingent considerations and holdbacks. The accounting principles have been consistently applied over the reporting periods.

Going concern

The Board has examined the Group's cash flow projections for the next twelve months, under both base and a severe yet plausible downside scenario. These assessments take into account uncertainties such as inflation, decreased demand, and the potential impacts of these uncertainties on growth rates, macroeconomic conditions, and the Group as a whole. The primary assumptions in the base case are in accordance with the Group's Board-approved 2025–27 three-year plan, with these forecasts being in line with those considered for the goodwill impairment testing.

The Group possesses substantial financial resources and has significant liquidity in all scenarios considered. As of 31 December 2024, the Group's financial liquidity amounted to £268 million, comprising cash and bank balances of £168 million and an undrawn £100 million multicurrency senior secured revolving credit facility, with £20 million set to expire in August 2026 and £80 million set to expire in February 2028. These facilities ensure that the Group has access to adequate cash resources and working capital.

The severe yet plausible downside scenario reflects a 10% reduction in net revenue versus the base case, with a mitigation of 6% reduction in total operating costs which management believe could reasonably be achieved through natural cost reductions from lower activity, including reduced bonuses, limited recruitment and cost control measures on certain areas of discretionary spend. In this scenario no breach of covenants was identified. The Group has also identified additional cost control measures that could be implemented. These additional cost control measures include reviewing the Group's work force and implementing measures to optimise resource allocation, identify and implement cost-saving measures across the Group and re-evaluate the Group's product and service offerings to focus on high-margin high-demand areas. Management is confident that these forecasts have been prudently established and consider potential effects on growth rates and trading performance.

The Board is confident that the Group can operate within the confines of their current debt and revolving credit facility, and covenants (see Note 20), while maintaining sufficient liquidity to fulfil its financial obligations as they become due for at least 12 months from the date of signing these financial statements. Consequently, the Group will continue to employ the going concern basis in the preparation of their financial statements.

Notes to the consolidated financial statements continued

2. Basis of preparation continued

D. Critical accounting judgements and estimates

In preparing these consolidated financial statements, S^4Capital Group makes certain judgements and estimates. Judgements and estimates are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these judgements and estimates.

The judgements and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or the consolidated statement of profit or loss within the next financial year are discussed below.

Judgements

Revenue recognition

The Group's revenue is earned from the provision of data and digital media solutions and technology services. Under IFRS 15, revenue from contracts with customers is recognised as, or when, the performance obligation is satisfied.

Specifically for the Content segment, due to the size and complexity of contracts, management is required to form a number of judgements in the determination of the amount of revenue to be recognised including the identification of performance obligations within the contract and whether the performance obligation is satisfied over time or at a point in time. The Group's revenue is earned from the provision of data and digital media solutions and technology services. Under IFRS 15, revenue from contracts with customers is recognised as, or when, the performance obligation is satisfied.

Specifically for the Content segment, due to the size and complexity of contracts, management is required to form a number of judgements in the determination of the amount of revenue to be recognised including the identification of performance obligations within the contract and whether the performance obligation is satisfied over time or at a point in time. The key judgement is whether revenue should be recognised over time or at point in time. A substantial portion of our revenue is recognised over time, as the services are performed, because the customer receives and consumes the benefit of our performance throughout the contract period, or we create an asset with no alternative use and are contractually entitled to payment for our performance to date in the event the client terminates the contract for convenience.

Where revenue is recognised over time, an estimate must be made regarding the progress towards completion of the performance obligation.

See Note 3 for a full description of the Group's revenue accounting policies.

Impairment of goodwill and intangible assets

The Group applies judgement in determining whether the carrying value of goodwill and intangible assets have any indication of impairment on an annual basis, or more frequently if required. Both external and internal factors are monitored for indicators of impairment. When performing the impairment review, management's approach for determining the recoverable amount of a cash-generating unit is based on the higher of value in use or fair value less cost to dispose. The value in use is compared with the carrying amount of the cash generating units.

Tax positions

The Group is subject to sales tax in a number of jurisdictions. Judgement is required in determining whether the sales tax is chargeable to the customers or not. Provisions in relation to uncertain tax positions are established on an individual rather than portfolio basis, considering whether, in each circumstance, the Group considers it is probable that the uncertainty will crystallise.

Use of alternative performance measures

In establishing which items are disclosed separately as adjusting items to enable a better understanding of the underlying financial performance of the Group, management exercise judgement in assessing the size and nature of specific items. The Group uses alternative performance measures as we believe these measures provide additional useful information on the underlying trend, performance, and position of the Group. These underlying measures are used by the Group for internal performance analyses, and credit facility covenants calculations. The alternative performance measures include 'adjusted operating profit', 'adjusting items', 'EBITDA' (earnings before interest, tax, depreciation) and 'operational EBITDA'. The terms 'adjusted operating profit', 'adjusting items', 'EBITDA' and 'operational EBITDA' are not defined terms under IFRS and may therefore not be comparable with similarly titled profit measures reported by other companies. The measures are not intended to be a substitute for, or superior to, GAAP measures. A full list of alternative performance measures and non-IFRS measures together with reconciliations to IFRS measures are set out in the Alternative Performance Measures on pages 164 to 168.

Estimates

Impairment of goodwill and intangible assets

The recoverable amount for each CGU is determined using a value-in-use calculation. In determining the value-in-use, the Group uses forecast net revenue and EBITDA percentage margins adjusted for non-cash transactions to generate cash flow projections. The forecasts are prepared by management based on the Board-approved three-year business plans for each CGU along with a one-year management-prepared extrapolation period.

Notes to the consolidated financial statements continued

2. Basis of preparation continued

D. Critical Accounting judgements and estimates continued

The forecasts reflect the expected financial performance for each CGU, and consider the impact of inflation and the latest macroeconomic trends and external factors, as well as historic performance and trends, amongst other factors. Further detail can be found in Note 10.

E. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) as applicable for contingent consideration.

F. New and amended standards and interpretations adopted by the Group

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1

In January 2020 and October 2022, the Board issued amendments to IAS 1 Presentation to Financial Statements to specify the requirements for classifying liabilities as current or non-current. The Board decided that if an entity's right to defer settlement of a loan arrangement is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ('future covenants'), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period.

The amendment further clarifies that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.

Disclosure is required when a liability arising from a loan covenant is classified as non-current and the entity's right to defer settlement is contingent on compliance with the future covenants within twelve months.

The adoption of this amendment on 1 January 2024 had no material impact on the Group's consolidated financial statements.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The adoption of this amendment on 1 January 2024 had no material impact on the Group's consolidated financial statements.

Disclosures: Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The adoption of this amendment on 1 January 2024 had no material impact on the Group's consolidated financial statements.

G. New and amended standards and interpretations not yet adopted

Certain new and amended accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. The impact of the following standard is under assessment:

- IFRS 18 'Presentation and Disclosure in Financial Statements', which will become effective in the consolidated Group financial statements for the financial year ending 31 December 2027, subject to endorsement from UK Endorsement Board.

For all other standards there is not expected to be any material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

H. Restatement and reclassification

Deferred tax related to business combinations

The Group has restated the comparative financial statements to account for the recognition of deferred tax balances related to certain business combinations in prior years. This adjustment represents deferred tax assets recognised in respect of future tax deductions expected to be allowed for tax goodwill amortisation related to the payments of employment linked contingent consideration and acquisition expenses recognised in the post acquisition period on certain business combinations.

Notes to the consolidated financial statements continued

2. Basis of preparation continued

H. Restatement and reclassification continued

We have also recognised deferred tax liabilities in respect of amortisation of goodwill for tax purposes expected to be allowed in certain jurisdictions. These restatements result in the recognition on a net basis of deferred tax assets in each of the restated years as noted below.

The impact of the above adjustment on total equity as at 1 January 2023 is an increase of £35.1 million.

The following table details the impact on the consolidated statement of profit or loss for the year ended 31 December 2023:

	31 December 2023		
	As reported £m	Deferred tax adjustment £m	As restated £m
Income tax credit/(expense)	7.9	(8.3)	(0.4)
Loss for the year	(6.0)	(8.3)	(14.3)
Attributable to the owners of the Company	(6.0)	(8.3)	(14.3)
Basic loss per share (pence)	(0.9)	(1.3)	(2.2)
Diluted loss per share (pence)	(0.9)	(1.3)	(2.2)

The following table details the impact on the consolidated balance sheet as at 31 December 2023:

	31 December 2023		
	As reported £m	Deferred tax adjustment £m	As restated £m
Non-current assets			
Deferred tax assets	7.3	17.4	24.7
Non-current liabilities			
Deferred tax liabilities	(32.7)	8.6	(24.1)
Equity			
Foreign exchange reserves	(5.3)	(0.8)	(6.1)
Retained earnings	482.1	26.8	508.9

The following table details the impact on the consolidated balance sheet as at 31 December 2022:

	31 December 2022			
	As reported £m	Deferred tax adjustment £m	Deferred tax offset £m	As restated £m
Non-current assets				
Deferred tax assets	5.4	39.1	(29.6)	14.9
Non-current liabilities				
Deferred tax liabilities	(54.1)	(4.0)	29.6	(28.5)
Equity				
Retained earnings	478.4	35.1	–	513.5

3. Accounting policies

A. Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the S^4Capital Group. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Notes to the consolidated financial statements continued

3. Accounting policies continued

A. Basis of consolidation continued

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity.

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated statement of profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised as a fair value gain or loss within acquisition, restructuring and other expenses within the consolidated statement of profit or loss.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that entitle their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying value of non-controlling interests is the value of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

B. Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting.

Under the equity method, an investment is recognised initially in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

C. Revenue recognition

S4Capital Group produces digital campaigns, films, creative content, platforms and ecommerce for home-grown and international brands and provides data and digital media solutions for future thinking marketers and agencies and provides technology services.

Revenue comprises of gross amounts billed, or billable to clients less pass-through expenses, if any and is stated exclusive of VAT and equivalent applicable taxes. The difference between revenue and net revenue represents direct costs.

When a third-party is involved in the delivery of our services to the client, we assess whether or not we are acting as a principal or an agent in the arrangement. The assessment is based on whether we control the specified services at any time before they are transferred to the customer. We act as principal when we control the specified services before they are transferred to the client and we are responsible for providing the specified services, or we are responsible for directing and integrating third-party vendors to fulfill

Notes to the consolidated financial statements continued

3. Accounting policies continued

C. Revenue recognition continued

our performance obligation at the agreed upon contractual price. We act as an agent and arrange, at the client's direction, for third parties to perform certain services. In these cases, we do not control the services prior to the transfer to the client.

For performance obligations in which we act as principal, we record the gross amount billed to the customer within total revenue and the related incremental costs incurred as direct costs. Direct costs comprise fees and expenses paid to external suppliers when they are engaged to perform all or part of a specific project and are charged directly to the customer, and where the Group retains quality control oversight.

For performance obligations for which we act as the agent, we record our revenue as the net amount of our gross billings less any pass-through expenses amounts remitted to third parties.

Costs to obtain a contract are typically expensed as incurred as contracts are generally short term in nature.

S4Capital Group determines all the separate performance obligations within the customers' contract at contract inception. In many instances, promised services in a contract are not considered distinct or represent a series of services that are substantially the same with the same pattern of transfer to the customer and, as such, are accounted for as a single performance obligation.

Revenue is recognised when a performance obligation is satisfied, in accordance with the terms of the contractual arrangement. This is assessed on a contract-by-contract basis. Revenue is recognised over time when the customer consumes the services as it is performed or the Group is entitled to payment for the services performed to date. Where there is no clear consumption by the customer or limited activities that transfer to the customer, revenue is recognised at a point in time, generally when the services or created content are delivered to the customer.

For each performance obligation that is satisfied over time, revenue is recognised by measuring progress towards completion of that performance obligation. Revenue recognised over time is based on the proportion of the level of services performed. Either an input method or an output method, depending on the particular arrangement, is used to measure progress for each performance obligation. For most fee arrangements, costs incurred are used as an objective input measure of performance. The primary input of substantially all work performed under these arrangements is labour and direct costs. There is normally a direct relationship between costs incurred and the proportion of the contract performed to date. In other circumstances relevant output measures, such as the achievement of any project milestones stipulated in the contract, are used to assess proportional performance.

Revenue recognised in the current reporting period that related to performance obligations that were satisfied, or partially satisfied, in a prior reporting period was immaterial.

For our retainer arrangements, we have a stand-ready obligation to perform services on an ongoing basis over the life of the contract. The scope of these arrangements is broad and generally not reconcilable to another input or output criteria. In these instances, revenue is recognised using a time-based method resulting in straight-line revenue recognition.

Where the total project costs exceed the project revenue, the loss is recognised within direct costs and personnel costs in the consolidated statement of profit or loss. A provision is recognised for such loss. No material onerous contract provisions have been identified in the year.

Accrued income is a contract asset and is recognised when a performance obligation has been satisfied but has not yet been billed. Accrued income is transferred to receivables when the right to consideration is unconditional and billed per the terms of the contractual agreement.

In certain cases, payments are received from customers or amounts are billed with an unconditional right to receive consideration prior to satisfaction of performance obligations and recognised as deferred income. These balances are considered contract liabilities and are included in deferred income.

Accrued income and deferred income arising on contracts are included in trade and other receivables and trade and other payables, as appropriate.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components in which case they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. No element of financing is deemed present as the sales are made with a general credit term of 30 days; some large multinational customers have credit terms of 45 days to 120 days.

The Group has applied the practical expedients in IFRS 15 not to account for significant financing components where the timing difference between receiving consideration and transferring control of services or created content to its customer is one year or less; and to expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

The Group has applied the practical expedient permitted by IFRS 15 to not disclose the transaction price allocated to performance obligations unsatisfied (or partially unsatisfied) as of the end of the reporting period as contracts typically have an original expected duration of a year or less.

Notes to the consolidated financial statements continued

3. Accounting policies continued

D. Foreign currency

The main foreign currencies for the Group are the US dollar (USD) and Euro (EUR).

Foreign currency transactions and balances

- Foreign currency transactions are translated into the functional currency using the average exchange rates in the month. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.
- Share capital, share premium and brought forward earnings are translated using the exchange rates prevailing at the dates of the transactions.

Consolidation of foreign entities

On consolidation, income and expenses of the foreign entities are translated from the local functional currencies to Pound Sterling, the presentation currency of the S4Capital Group, using average exchange rates during the period, apart from any foreign entities in hyperinflationary economies (see note 3F). All assets and liabilities of the Group's foreign operations are translated from the local functional currencies to Pound Sterling using the exchange rates prevailing at the reporting date. The exchange differences arising from the translation of the net investment in foreign entities are recognised in other comprehensive income and accumulated in a separate component of equity. Exchange differences are recycled to the consolidated statement of profit or loss as a reclassification adjustment upon disposal of the foreign operation.

E. Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if S4Capital Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

S4Capital Group issues equity-settled share-based payments (including share options) to certain employees and accounts for these awards in accordance with IFRS 2. The share-based payments are measured at fair value at the grant date.

The fair value determined at the grant date is recognised in the consolidated statement of profit or loss as an expense on a straight-line basis over the relevant vesting period, based on the Group's estimate of the number of shares that will ultimately vest and adjusted for the effect of non-market vesting conditions. A detailed description of the share-based payment plans is included in Note 23.

Defined contribution plans

S4Capital Group accounts for retirement benefit costs in accordance with IAS 19 Employee Benefits. For defined contribution plans, contributions are charged to the consolidated statement of profit or loss as payable in respect of the accounting period.

F. Hyperinflation

Argentina is designated as a hyperinflationary economy and the financial statements of the Group's subsidiaries in Argentina have been adjusted for the effects of inflation.

IAS 29 Financial Reporting in Hyperinflationary Economies requires that the consolidated statement of profit or loss is adjusted for inflation in the period and translated at the year-end foreign exchange rate and that non-monetary assets and liabilities on the balance sheet are restated to reflect the change in purchasing power caused by inflation from the date of initial recognition.

In 2024, this resulted in an increase in property, plant and equipment of £1.8 million (2023: £3.5 million), an increase in right-of-use assets of £1.8 million (2023: £2.9 million), an increase in equity of £nil (2023: £nil) and an opening equity restatement of £4.5 million (2023: £2.6 million). For the year ended 31 December 2024, this resulted in a loss on the net monetary position of £1.7 million (2023: gain on the net monetary position of £1.3 million) in the consolidated statement of profit or loss. The impact on other non-monetary assets and liabilities in the year was immaterial. The FACPCE price index (Federación Argentina de Consejos Profesionales de Ciencias Económicas) of 7,694.0 was used at 31 December 2024 (2023: 3,533.2). The movement in this index during 2024 was 218% (2023: 192%).

In addition to the hyperinflationary economy causing the general devaluation of the Argentinian peso, on 13 December 2023, the Argentinian peso experienced a significant devaluation of over 50%. This was a one-off single event towards the end of the Group's reporting period. The Group considers the impact of hyperinflation as part of its underlying operations, however, the significant devaluation is considered as a one-off item and therefore the impact is excluded from the Group's Alternative Performance Measures. The impact on operational EBITDA in 2023 was a reduction of £9.3 million.

Notes to the consolidated financial statements continued

3. Accounting policies continued

G. Income tax

Income tax expense comprises current and deferred tax. It is recognised in consolidated statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the financial year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which these items can be utilised.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

H. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Notes to the consolidated financial statements continued

3. Accounting policies continued

H. Intangible assets continued

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

Goodwill

The Group accounts for business combinations using the acquisition method when control is transferred to the S4Capital Group. The consideration transferred is measured at the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed in the year. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair value of net identifiable assets and liabilities acquired. Goodwill is measured at cost less accumulated impairment losses. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of profit or loss on the acquisition date.

Other intangible assets – arising on the acquisition of business combinations

Brands, customer relationships and order backlog arising on the acquisition of business combinations, are measured at cost less accumulated amortisation and accumulated impairment losses. The acquired brands are well-known brands which are registered, have a good track record and have finite useful lives. Customer relationships are measured at the time of the business combination and have finite useful lives. Order backlog has finite useful lives and represents the contracted but not yet fulfilled revenues at the time of the business combination.

Other intangible assets – development expenditure and purchased software

Expenditure on research activities is recognised in the consolidated statement of profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the consolidated statement of profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Purchased software packages have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Impairment of goodwill and intangible assets with indefinite useful lives

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Notes to the consolidated financial statements continued

3. Accounting policies continued

H. Intangible assets continued

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on the most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of four years. A long-term growth rate is calculated and applied to project future cash flows after the fourth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset, except for assets previously revalued with the revaluation taken to other comprehensive income (OCI). For such assets, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually at year end and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are also tested for impairment annually at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Amortisation

Amortisation is charged to the consolidated statement of profit or loss to allocate the cost of intangible assets over their estimated useful economic lives, using the straight-line method. Goodwill is not amortised.

The estimated useful economic lives of intangible assets for current and comparative periods are as follows:

- Brands 3 – 20 years
- Customer relationships 6 – 16.5 years
- Order backlog 0 – 3 years
- Others 3 – 10 years

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

I. Leases

At inception of a lease contract, the Group assesses whether the contract conveys the right to control the use of an identified asset for a certain period of time and whether it obtains substantially all the economic benefits from the use of that asset, in exchange for consideration.

Each lease is recognised as a right-of-use asset with a corresponding liability at the date at which the lease asset is available for use by the Group. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Depreciation is recognised in operating expenses costs and interest expense is recognised under finance expenses in the consolidated statement of profit or loss. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. Right-of-use assets are reviewed for indicators of impairment and an impairment test is performed when an impairment indicator exists.

Notes to the consolidated financial statements continued

3. Accounting policies continued

I. Leases continued

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

Short-term leases and leases of low value assets

The Group has elected to use the practical expedient not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option and leases of low value assets which the present value of the assets is below £5,000. The payments associated with these leases are recognised as operating expenses over the lease term.

J. Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the consolidated statement of profit or loss.

Depreciation

Depreciation is charged to the consolidated statement of profit or loss to allocate the cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives, using the straight-line method. The estimated useful lives for current and comparative periods range as follows:

- Leasehold improvements — Over life of lease
- Furniture and fixtures — 5 years
- Office equipment — 3 – 5 years
- Other assets — 3 – 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment

PPE assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment in carrying value is being charged to the consolidated statement of profit or loss. PPE assets that have been impaired are reviewed for possible reversal of the impairment loss at the end of each reporting period. The reversal is limited to the carrying amount net of depreciation, had no impairment loss been recognised in the prior reporting periods.

K. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets – Recognition and initial measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Notes to the consolidated financial statements continued

3. Accounting policies continued

K. Financial instruments continued

Classification and subsequent measurement – Financial assets

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Derecognition

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities – Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Notes to the consolidated financial statements continued

3. Accounting policies continued

K. Financial instruments continued

Financial liabilities – Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Any gains or losses on liabilities held are recognised as a fair value gain or loss in the consolidated statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

Financial liabilities – Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the consolidated statement of profit or loss as a fair value gain or loss.

L. Equity

The Group's ordinary share capital is classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. The Group issues financial instruments which are treated as equity only to the extent that they do not meet the definition of a financial liability. These equity instruments are based on a fixed number of shares. These equity instruments include both initial deferred equity consideration and deferred equity consideration following the achievement of contingent consideration criteria.

M. Cash flow statement

The cash flow statement is prepared using the indirect method. The cash and cash equivalents in the cash flow statement comprise cash and cash equivalents except for deposits with a maturity of longer than three months and minus current bank loans drawn under overdraft facilities. Cash flows denominated in foreign currencies are converted based on average exchange rates. Exchange rate differences affecting cash items are shown separately in the cash flow statement.

Income taxes paid are included in cash flows from operating activities. Interest and facility fees paid is included in cash flows from financing activities. Purchase consideration for amounts paid for acquiring subsidiaries, net of cash acquired, is included in cash flows from investing activities, insofar as the acquisition is settled in cash. Performance linked contingent consideration paid is included within the investing activities. Where the estimate of contingent consideration is adjusted outside of the measurement period, through the consolidated statement of profit or loss, then the payment of the difference between the initial estimate and the increased estimate is included within operating cash flows. Employment linked contingent consideration paid is included in cash flows from operating activities. Principal elements of lease payments are included in cash flows from financing activities.

4. Acquisitions

Current year acquisitions

No acquisitions were made during the year ended 31 December 2024.

Prior year acquisitions

XX Artists

During the year, the Group settled the remaining holdback of £1.3 million from escrow as the business had achieved the post acquisition EBITDA targets for the 12 month period ended 31 December 2022.

Notes to the consolidated financial statements continued

4. Acquisitions continued

TheoremOne

Included within other reserves as at 31 December 2024 is £26.4 million, comprised of £26.4 million recognised as deferred equity consideration in 2023.

At 31 December 2024, £6.1 million of holdbacks remain relating to amounts held back due to cover and indemnify the Group against certain acquisition costs and damages. The Group currently expects to settle the maximum holdback amount. The amount payable would be dependent on the amount of these acquisition costs and damages, with the minimum amount payable being £nil.

4 Mile

As a result of partially achieving post acquisition EBITDA targets for the 12 month period ended 31 December 2022, £6.7 million and £2.5 million were paid in cash to the Sellers during the year in relation to performance linked and employment linked contingent consideration respectively.

During the year, £2.2 million of holdbacks were paid from escrow, with a £2.3 million gain recognised in the consolidated statement of profit or loss through contingent considerations as remuneration. The remaining balance of holdbacks as at 31 December 2024 was therefore £nil.

Zemoga Group (Zemoga)

During the year, £0.4 million of holdbacks were paid from escrow. The remaining balance of holdbacks as at 31 December 2024 was therefore £nil.

5. Segment information

A. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM has been identified as the Board of Directors of S4Capital Group.

During the year, S4Capital Group has three reportable segments as follows:

- Content: Creative content, campaigns, and assets at a global scale for paid, social and earned media – from digital platforms and apps to brand activations that aim to convert consumers at every possible touchpoint.
- Data&Digital Media: Full-service campaign management analytics, creative production and ad serving, platform and systems integration, transition, training and education.
- Technology Services: Digital transformation services in delivering advanced digital product design, engineering services and delivery services.

The customers are primarily businesses across technology, fast moving consumer goods (FMCG) and media and entertainment. Any intersegment transactions are based on commercial terms.

The Board of Directors monitor the results of the reportable segments separately for the purpose of making decisions about resource allocation and performance assessment prior to charges for tax, depreciation and amortisation.

The Board of S4Capital Group uses net revenue rather than revenue to manage the Group due to the fluctuating amounts of direct costs, which form part of revenue. The following is an analysis of the Group's net revenue and results by reportable segments:

2024	Content £m	Data&Digital Media £m	Technology Services £m	Total £m
Revenue	566.7	195.0	86.5	848.2
Net revenue	475.5	192.4	86.7	754.6
Segment profit[1, 2]	48.7	46.0	11.5	106.2
Overhead costs				(18.4)
Adjusted non-recurring and acquisition related expenses[3]				(35.6)
Depreciation, amortisation and impairment[4,5]				(355.0)
Net finance costs and loss on net monetary position				(28.1)
Loss before income tax				(330.9)

Notes:

1. Including £13.2 million related to depreciation and £5.3 million impairment of right-of-use assets.
2. In arriving at segment profit, personnel costs of £368.7 million, £128.7 million and £68.4 million were deducted from Content, Data&Digital Media and Technology services respectively.
3. Comprised of acquisition and restructuring expenses (£21.7 million), share-based payment costs (£6.5 million), impairment of right-of-use assets (£5.3 million) and onerous lease provision (£2.1 million). See Note 6.
4. Includes impairment of goodwill of £204.4 million in Content and of goodwill and intangibles of £96.8 million in Technology Services.
5. Excluding £13.2 million related to depreciation and £5.3 million impairment of right-of-use assets.

Notes to the consolidated financial statements continued

5. Segment information continued

A. Operating segments continued

2023	Content £m	Data&Digital Media £m	Technology Services £m	Total £m
Revenue	664.1	210.4	137.0	**1,011.5**
Net revenue	528.9	207.3	137.0	873.2
Segment profit[1, 2]	46.5	35.2	43.4	125.1
Overhead costs				(22.1)
Adjusted non-recurring and acquisition related expenses[3]				(22.0)
Depreciation, amortisation and impairment[4]				(60.8)
Net finance costs and gain on net monetary position				(34.1)
Loss before income tax				**(13.9)**

Notes:
1. Including £17.1 million related to depreciation of right-of-use assets.
2. In arriving at segment profit, personnel costs of £419.3 million, £150.6 million and £83.9 million were deducted from Content, Data&Digital Media and Technology Services respectively.
3. Comprised of acquisition and restructuring expenses (£11.9 million) and share-based payment costs (£10.1 million). See Note 6.
4. Excluding £17.1 million related to depreciation of right-of-use assets.

Segment profit represents the profit earned by each segment without allocation of the share of profit of joint ventures, central administration costs including Directors' salaries, finance income, non-operating gains and losses, and income tax expense. This is the measure reported to the Group's Board of Directors for the purpose of resource allocation and assessment of segment performance.

B. Information about major customers

One customer (2023: one) accounted for more than 10% of the Group's revenue during the year, contributing £148.1 million (2023: £177.5 million). The revenue from this customer was attributable to both the Content and Data&Digital Media segments.

C. Geographical information

The Group's revenue, net revenue and non-current assets by geographical segment are shown below. Non-current assets exclude deferred tax assets.

2024	The Americas £m	Europe, Middle East & Africa £m	Asia Pacific £m	Total £m
Revenue	628.7	165.7	53.8	848.2
Net revenue	587.9	123.4	43.3	754.6
Non-current assets	504.6	232.7	30.2	767.5

2023	The Americas £m	Europe, Middle East & Africa £m	Asia Pacific £m	Total £m
Revenue	747.5	199.0	65.0	1,011.5
Net revenue	688.1	133.1	52.0	873.2
Non-current assets	741.5	370.7	42.3	1,154.5

6. Operating expenses

Personnel expenses[1]	2024 £m	2023 £m
Wages and salaries	465.0	528.9
Social security costs[2]	77.9	88.0
Other pension costs	12.6	16.3
Share-based payments[2]	6.8	10.1
Other personnel costs	19.2	27.5
Total	**581.5**	**670.8**

Notes:
1. Contingent consideration is disclosed separately from personnel expenses, as part of acquisition expenses overleaf.
2. Social security costs includes £0.3 million credit (2023: £nil) of social security relating to share-based payments.

Notes to the consolidated financial statements continued

6. Operating expenses continued

The key management personnel comprise the Directors of the Group. Details of compensation for key management personnel are disclosed on pages 91 to 92.

Monthly average number of employees by segment	2024	2023
Content	4,688	5,197
Data&Digital Media	2,076	2,374
Technology Services	678	772
Central	56	31
Total	7,498	**8,374**

Monthly average number of employees by geography	2024	2023
The Americas	5,328	5,641
Europe, Middle East and Africa	1,382	1,862
Asia Pacific	788	871
Total	7,498	**8,374**

Acquisition, restructuring and other one-off expenses	2024 £m	2023 £m
Advisory, legal, due diligence and related costs	0.8	2.3
Restructuring costs	18.8	18.2
Transformation costs	4.2	2.9
Acquisition related bonuses	0.2	–
Contingent consideration linked to employee service	0.7	13.2
Contingent consideration fair value gain	(3.0)	(24.7)
Onerous lease expense	2.1	–
Total	23.8	**11.9**

Depreciation, amortisation and impairment	2024 £m	2023 £m
Depreciation of property, plant and equipment	9.5	12.2
Depreciation of right-of-use of assets	13.2	17.1
Amortisation of intangible assets	44.3	48.6
Impairment of goodwill	280.4	–
Impairment of intangible assets	20.8	–
Impairment of right-of-use of assets	5.3	–
Total	373.5	**77.9**

Other operating expenses	2024 £m	2023 £m
IT expenses	31.0	30.6
Consultancy fees	6.0	6.7
Accounting and administrative service fees	7.5	9.3
Lease costs	6.5	6.2
Sales and marketing costs	7.4	7.9
Legal fees	3.1	4.3
Travel and accommodation costs	7.9	9.3
Insurance fees	2.7	3.5
Impairment loss recognised on trade receivables	1.4	3.6
Other general and administrative costs	5.2	11.2
Total	78.7	**92.6**

Lease costs mainly relate to short term and low value lease costs under IFRS 16.

Notes to the consolidated financial statements continued

6. Operating expenses continued

Audit fees included in general and administrative costs are as follows:

Audit fees	2024 £m	2023 £m
Fees payable to the Company's auditors and their associates for the audit of parent company and consolidated financial statements	3.8	3.7
Fees payable to company auditors and their associates for other services:		
Audit of the financial statements of the Company's subsidiaries	0.2	0.3
Total audit fees for the current year audit	4.0	**4.0**
Fees payable to the Company's auditors and their associates for the audit of parent company and consolidated financial statements – prior year	–	–
Total audit fees	4.0	**4.0**
Fees payable to Company auditors and their associates for audit-related assurance services	0.4	0.4
Other assurance services	0.1	–
Total	4.5	**4.4**

Audit-related assurance services to the Group relates to the fee charged for the half-year review. No other fees than those disclosed above were payable to PricewaterhouseCoopers LLP.

7. Finance income and expenses

Finance income	2024 £m	2023 £m
Interest income	3.0	2.8
Foreign exchange differences	2.3	–
Total	5.3	**2.8**

Finance expenses	2024 £m	2023 £m
Interest on bank loans and overdrafts	(25.5)	(23.3)
Interest on lease liabilities	(2.5)	(2.3)
Foreign exchange differences	–	(8.0)
Other finance costs	(3.7)	(4.6)
Total	(31.7)	**(38.2)**

8. Income tax

The income tax credit/(expense) comprises the following:

	2024 £m	2023 Restated[1] £m
Current tax for the year	(7.3)	(13.3)
Adjustments for current tax of prior years	2.4	(1.3)
Total current tax	(4.9)	(14.6)
Origination and reversal of timing differences[2]	31.4	14.2
Adjustments for deferred tax of prior periods	(3.1)	–
Effect of change in tax rates	0.6	–
Income tax credit/(expense) in profit or loss	24.0	**(0.4)**

Notes:

1. The comparatives as at 31 December 2023 have been restated to account for the recognition of deferred tax balances related to certain business combinations in the prior years (see Note 2).
2. Includes £20.8 million credit relating to the deferred tax impact of the impairment charge.

The tax charge for the year can be reconciled to the income tax credit/(expense) in the consolidated statement of profit or loss as follows:

	2024 £m	2023 Restated[1] £m
Loss before income tax	(330.9)	(13.9)
Tax credit at the UK rate of 25.0% (2023: 23.5%)	82.7	3.3
Tax effect of amounts which are non-deductible	(57.2)	(3.9)
Difference in overseas tax rates	(1.5)	0.2
Income tax credit/(expense) in profit or loss	24.0	**(0.4)**

Note:

1. The comparatives as at 31 December 2023 have been restated to account for the recognition of deferred tax balances related to certain business combinations in the prior years (see Note 2).

The UK rate has increased from 23.5% in 2023 to 25% in 2024 due to the increase of corporation tax rate in the UK from 19% to 25% from April 2023. The applicable tax rate is based on the proportion of the contribution to the result by the Group entities and the tax rate applicable in the respective countries. The applicable tax rate in the respective countries ranges from 0% to 35%. The effective tax rate for the year deviates from the applicable tax rate mainly because of non-deductible items, amortisation, accelerated capital allowances over depreciation on plant, property and equipment and differences in overseas tax rate.

Notes to the consolidated financial statements continued

8. Income tax continued

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in the United Kingdom, the jurisdiction in which the Company is incorporated, in July 2023 and came into effect for accounting periods commencing on or after 31 December 2023. Under the legislation, the Group is liable to pay a top-up tax on adjusted jurisdictional profits for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate.

The Group has assessed the current tax impact of the Pillar Two legislation in the jurisdictions within which the Company operates, and no material current tax expense is expected to arise under Pillar Two for the current period. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

The Group continues to monitor legislative developments related to Pillar Two and will assess any potential impact on its consolidated results of operations, financial position, and cash flows.

9. Loss per share

	2024	2023 Restated[1]
Loss attributable to shareowners of the Company (£m)	(306.9)	(14.3)
Weighted average number of Ordinary Shares	671,956,509	639,218,703
Basic loss per share (pence)	**(45.7)**	**(2.2)**

Loss per share is calculated by dividing the loss attributable to the shareowners of the Group by the weighted average number of Ordinary Shares in issue during the year.

	2024	2023 Restated[1]
Loss attributable to shareowners of the Company (£m)	(306.9)	(14.3)
Weighted average number of Ordinary Shares	671,956,509	639,218,703
Diluted loss per share (pence)	**(45.7)**	**(2.2)**

	2024	2023 Restated[1]
Adjusted profit attributable to shareowners of the Company (£m)	34.7	28.2
Weighted average number of Ordinary Shares	671,956,509	639,218,703
Adjusted basic earnings per share (pence)	**5.2**	**4.4**

Note:

1. The comparatives as at 31 December 2023 have been restated to account for the recognition of deferred tax balances related to certain business combinations in the prior years (see Note 2).

10. Goodwill

Cost	2024 £m	2023 £m
At 1 January	706.5	734.0
Acquired through business combinations	–	0.2
Foreign exchange differences	(9.2)	(27.7)
At 31 December	**697.3**	**706.5**
Accumulated impairment		
At 1 January	(15.2)	(15.2)
Impairment charge in year	(280.4)	–
Foreign exchange differences	(10.5)	–
At 31 December	**(306.1)**	**(15.2)**
Net Book Value		
At 1 January	**691.3**	**718.8**
At 31 December	**391.2**	**691.3**

Goodwill represents the excess of consideration over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Impairment testing

Goodwill acquired through business combinations is allocated to CGUs for the purpose of impairment testing. The Group's three CGUs are Content, Data&Digital Media and Technology Services. The goodwill balance is allocated to each of the three CGUs as follows:

	2024 £m	2023 £m
Content	197.1	413.6
Data&Digital Media	194.1	197.6
Technology Services	–	80.1
Total	**391.2**	**691.3**

The recoverable amount for each CGU is determined using a value-in-use calculation. In determining the value-in-use, the Group uses forecast revenue and profits adjusted for non-cash transactions to generate cash flow projections. The forecasts are prepared by management based on the Board-approved three-year business plans for each CGU along with a one-year management-prepared extrapolation period. The forecasts reflect the expected financial performance for each CGU, and consider the impact of inflation and the latest macroeconomic trends and external factors, as well as historic performance and trends, amongst other factors.

Notes to the consolidated financial statements continued

10. Goodwill continued

The impairment of goodwill and customer relationships totals £301.2 million, with a related deferred tax credit of £20.8 million, resulting in a net charge of £280.4 million (2023: £nil) recognised during the year. This impairment reflects trading conditions in the second half of 2024 and the subsequent medium-term outlook following the completion of our budget and three-year planning process. These trends translated into ongoing client caution and lower activity in the Content CGU particularly with some of our larger technology clients in the second half of the year. Further, our outlook for the Technology Services CGU is mainly affected by longer sales cycles for new business and a reduction in some of our larger relationships.

The table below sets out this year's impairment charge for the Content and Technology Services CGUs, along with their respective recoverable amounts for the year ended 31 December 2024:

	Impairment of goodwill £m	Impairment of customer relationships £m	Deferred tax impact of impairment charge £m	Net impairment charge £m	Recoverable amount £m
Content	204.4	–	(7.9)	196.5	511.2
Technology Services	76.0	20.8	(12.9)	83.9	94.4
Total	280.4	20.8	(20.8)	280.4	605.6

For Content, with a net impairment loss of £196.5 million, the range of net revenue growth rates across the four-year forecast period is between (0.6%) and 10.0%, and the range of EBITDA margin across the four-year forecast period is between 12.6% and 18.5%. A pre-tax discount rate of 15.1% has been used, with a long-term growth rate of 2.0% applied in perpetuity beyond the four-year explicit forecast period.

For Technology Services, with a net impairment loss of £83.9 million, the range of net revenue growth rates across the four-year forecast period is between (4.9%) and 10.2%, and the range of EBITDA margin across the four-year forecast period is between 15.7% and 17.0%. A pre-tax discount rate of 13.4% has been used, with a long-term growth rate of 2.0% applied in perpetuity beyond the four-year explicit forecast period.

Sensitivity analysis has been carried out for the value-in-use calculations of each CGU.

The following is a sensitivity analysis for impairment losses recognised in Content CGU and Technology CGU, in the case of changes in the key assumptions. The consequential impacts of the changes in net revenue growth and EBITDA margins on cash flow assumptions including working capital movements and tax charges have been incorporated into the sensitivity analyses set out below, but all other variables are held constant.

	Net revenue growth 20% reduction[1] £m	EBITDA margin 100bps reduction[2] £m
Content	22.7	36.9
Technology Services	4.4	6.5

Notes:
1. A 20% reduction has been applied to net revenue growth rate in each year of the explicit forecast period, with the long-term growth rate unchanged.
2. A 100 basis point reduction in EBITDA margin has been applied in each year of the forecast period, including in the terminal period.

For Data&Digital Media, with a headroom of £1.1 million, the range of net revenue growth rates across the four-year forecast period is between (0.6%) and 15.2%, and the range of EBITDA margin across the four-year forecast period is between 16.0% and 19.0%. A pre-tax discount rate of 14.3% has been used, with a long-term growth rate of 2.0% applied in perpetuity beyond the four-year explicit forecast period. The recoverable amount would equal the carrying amount either if net revenue growth range were to be reduced to a range of (0.6%) to 14.9% (with margins remaining unchanged) or if EBITDA margin were to be reduced to a range of 15.9% to 18.9% (with net revenue growth remaining unchanged).

The following is a sensitivity analysis for Data&Digital Media, in the case of changes in the key assumptions. The consequential impacts of the changes in net revenue growth and EBITDA margins on cash flow assumptions including working capital movements and tax charges have been incorporated into the sensitivity analyses set out below, but all other variables are held constant.

	Net revenue growth 20% reduction[1] £m	EBITDA margin 100bps reduction[2] £m
Data&Digital Media	10.8	14.3

Notes:
1. A 20% reduction has been applied to net revenue growth rate in each year of the explicit forecast period, with the long-term growth rate unchanged.
2. A 100 basis point reduction in EBITDA margin has been applied in each year of the forecast period, including in the terminal period.

Notes to the consolidated financial statements continued

11. Intangible assets

Cost	Customer relationships £m	Brands £m	Order backlog £m	Other £m	Total £m
At 1 January 2023	531.8	26.1	0.5	18.4	576.8
Acquired through business combinations	0.6	–	–	–	0.6
Additions	–	–	–	2.1	2.1
Disposals	–	–	–	–	–
Foreign exchange differences	(21.8)	(1.0)	–	(0.8)	(23.6)
At 31 December 2023	**510.6**	**25.1**	**0.5**	**19.7**	**555.9**
Acquired through business combinations	–	–	–	–	–
Additions	–	–	–	4.2	4.2
Disposals	–	(8.4)	(0.3)	(0.1)	(8.8)
Foreign exchange differences	(4.0)	(0.7)	–	(0.2)	(4.9)
At 31 December 2024	506.6	16.0	0.2	23.6	546.4

Accumulated amortisation and impairment	Customer relationships £m	Brands £m	Order backlog £m	Other £m	Total £m
At 1 January 2023	(108.2)	(12.8)	(0.4)	(10.2)	(131.6)
Charge for the year	(41.1)	(4.0)	(0.2)	(3.3)	(48.6)
Impairment	–	–	–	–	–
Disposals	–	–	–	–	–
Foreign exchange differences	4.7	0.6	0.1	0.5	5.9
At 31 December 2023	**(144.6)**	**(16.2)**	**(0.5)**	**(13.0)**	**(174.3)**
Charge for the year	(38.3)	(2.9)	–	(3.1)	(44.3)
Impairment	(20.8)	–	–	–	(20.8)
Disposals	–	8.4	0.3	0.1	8.8
Foreign exchange differences	(1.1)	0.4	–	0.1	(0.6)
At 31 December 2024	(204.8)	(10.3)	(0.2)	(15.9)	(231.2)

Net book value					
At 31 December 2023	**366.0**	**8.9**	**–**	**6.7**	**381.6**
At 31 December 2024	301.8	5.7	–	7.7	315.2

Other intangibles relates mainly to software. The average remaining amortisation period of intangible assets as at 31 December 2024 was 5.4 years (2023: 5.1 years).

The following table details individually material intangible assets by acquisition:

Acquisition	Customer Relationships £m	Remaining useful life
MediaMonks	54.5	6–10 years
TheoremOne	43.8	5 years
Firewood	35.1	9 years
Decoded	32.7	10–11 years
MightyHive	23.1	5 years
Zemoga	22.2	11 years
Jam 3	14.8	10 years
Cashmere	14.2	9 years
XX Artists	9.9	5 years
Metric Theory	9.8	6 years
Raccoon	9.1	4–6 years
Circus	7.9	5 years

12. Leases

Right-of-use assets	2024 £m	2023 £m
Balance at 1 January	45.8	55.7
Acquired through business combinations	–	0.2
Additions	2.1	15.1
Impairments[2]	(5.3)	–
Disposals and modifications	5.8	(6.2)
Depreciation of right-of-use assets	(13.2)	(17.1)
Hyperinflation	1.8	2.9
Exchange rate differences	(2.3)	(4.8)
Balance at 31 December[1]	34.7	**45.8**

Notes to the consolidated financial statements continued

12. Leases continued

Lease liabilities	2024 £m	2023 £m
Balance at 1 January	(49.0)	(58.4)
Acquired through business combinations	–	(0.2)
Additions	(2.0)	(14.0)
Disposals and modifications	(5.8)	6.2
Payment of lease liabilities	15.2	18.6
Interest on lease liabilities	(2.5)	(2.3)
Exchange rate differences	1.6	1.1
Balance at 31 December[1]	(42.5)	**(49.0)**
Non-current lease liabilities	(29.7)	(35.8)
Current lease liabilities	(12.8)	(13.2)
Balance at 31 December	(42.5)	**(49.0)**

Notes:
1. The right-of-use assets and lease liabilities primarily relate to offices.
2. Right-of-use asset impairments relate to leases impaired as part of the Group's Property Rationalisation Programme.

13. Property, plant and equipment

Cost	Leasehold improvements £m	Furniture and fixtures £m	Office equipment £m	Other assets £m	Total £m
At 1 January 2023	18.2	5.0	33.2	1.8	58.2
Acquired through business combinations	–	–	0.2	–	0.2
Additions	1.8	0.2	3.4	0.5	5.9
Hyperinflation	2.7	0.5	4.2	0.4	7.8
Disposals	(0.4)	–	(0.9)	(0.2)	(1.5)
Foreign exchange differences	(3.9)	(0.6)	(6.2)	(0.8)	(11.5)
At 31 December 2023	**18.4**	**5.1**	**33.9**	**1.7**	**59.1**
Acquired through business combinations	–	–	–	–	–
Additions	0.7	0.2	3.1	–	4.0
Hyperinflation	1.8	0.3	2.7	0.4	5.2
Disposals	(1.3)	(0.2)	(2.8)	(0.2)	(4.5)
Foreign exchange differences	(1.3)	(0.2)	(1.9)	(0.3)	(3.7)
At 31 December 2024	18.3	5.2	35.0	1.6	60.1

Accumulated depreciation and impairment	Leasehold improvements £m	Furniture and fixtures £m	Office equipment £m	Other assets £m	Total £m
At 1 January 2023	(6.3)	(2.6)	(19.2)	(0.4)	(28.5)
Charge for the year	(3.9)	(0.8)	(6.9)	(0.6)	(12.2)
Hyperinflation	(1.0)	(0.1)	(3.1)	(0.1)	(4.3)
Disposals	0.4	–	0.9	0.2	1.5
Foreign exchange differences	2.0	0.1	4.0	0.2	6.3
At 31 December 2023	**(8.8)**	**(3.4)**	**(24.3)**	**(0.7)**	**(37.2)**
Charge for the year	(2.6)	(0.6)	(6.0)	(0.3)	(9.5)
Hyperinflation	(1.0)	(0.1)	(2.0)	(0.2)	(3.3)
Disposals	1.3	0.2	2.8	0.2	4.5
Foreign exchange differences	0.6	0.1	1.0	0.1	1.8
At 31 December 2024	(10.5)	(3.8)	(28.5)	(0.9)	(43.7)

Net book value					
At 31 December 2023	**9.6**	**1.7**	**9.6**	**1.0**	**21.9**
At 31 December 2024	7.8	1.4	6.5	0.7	16.4

Notes to the consolidated financial statements continued

14. Interest in joint ventures and associates

The Group, through its subsidiary S4Capital 2 Limited a directly owned subsidiary, 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 Luxembourg company. The GP also controls S4S Ventures General Partner LLC. The GP has since established two S4S Ventures funds established in Luxembourg and the US.

The Group has a 50% interest in the GP (2023: 50%), a joint venture whose primary activity is to invest in technology companies focused on the marketing and advertising industries, to focus on early-stage technology investments with the ability to transform the sector. S4S aims to invest in companies across five principal areas: Martech, Adtech, Data Technology, Creative Technology, and Emerging Digital Media/Content. The Group's interest is accounted for using the equity method in the consolidated financial statements.

The Group has a 25% interest in Hoorah, a South African based Company. Hoorah is a full-service creative digital marketing agency specialising in creating impactful campaigns that connect brands with their audiences. With a strong focus on innovation, data-driven strategy, and creativity, Hoorah delivers results across social media, app development, CRM, and content marketing.

Summarised financial information of the joint venture and associate, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	Ownership	Nature of relationship	2024 £m	2023 £m
S4S	50%	Joint venture	0.1	0.2
Hoorah	25%	Associate	0.7	–
At 31 December			0.8	**0.2**

	2024 S4S £m	2024 Hoorah £m	2024 Total £m	2023 Total £m
Balance at the beginning of the year	0.2	–	0.2	–
Investment in the year	–	0.7	0.7	–
Share of profits	0.1	–	0.1	0.2
Dividends	(0.2)	–	(0.2)	–
Balance at the end of the year	0.1	0.7	0.8	**0.2**

Summarised balance sheet:

	2024 S4S £m	2024 Hoorah £m	2024 Total £m	2023 Total £m
Non-current assets	–	1.1	1.1	–
Current assets[1]	0.6	0.2	0.8	0.4
Current liabilities	(0.4)	(0.1)	(0.5)	(0.1)
Net assets	0.2	1.2	1.4	**0.3**
Group's share of net assets	0.1	0.3	0.4	**0.2**
Goodwill	–	0.4	0.4	–
Group's carrying amount of the investment	0.1	0.7	0.8	**0.2**

Note:
1. Includes cash and cash equivalents held by the joint venture of £0.2 million (2023: £0.1 million).

Summarised statement of profit or loss:

	2024 S4S £m	2024 Hoorah £m	2024 Total £m	2023 Total £m
Revenue	1.0	0.9	1.9	1.1
Operating expense	(0.9)	(0.9)	(1.8)	(0.6)
Profit for the year	0.1	–	0.1	0.5
Other comprehensive expense	–	–	–	–
Total comprehensive income	0.1	–	0.1	**0.5**

Group's share of joint venture and associate profit or loss:

	2024 S4S £m	2024 Hoorah £m	2024 Total £m	2023 Total £m
Revenue	0.5	0.2	0.7	0.5
Operating expense	(0.4)	(0.2)	(0.6)	(0.3)
Profit for the year	0.1	–	0.1	**0.2**
Total comprehensive income	0.1	–	0.1	0.2
Group's share of joint venture/associate profit	0.1	–	0.1	**0.2**

The joint venture had no other contingent liabilities or commitments as at 31 December 2024 (2023: £nil).

Notes to the consolidated financial statements continued

15. Deferred tax assets and liabilities

Deferred tax assets	Goodwill and intangible assets £m	Leases and Property, plant and equipment[1] £m	Short term differences £m	Losses £m	Total £m	Offset[2] £m	Net deferred tax assets £m
At 1 January 2023[3]	**46.6**	**11.6**	**9.3**	**–**	**67.5**	**(52.6)**	**14.9**
Credited to profit or loss	(0.3)	5.1	4.9	–	9.7	–	9.7
Foreign exchange differences	(0.5)	(1.6)	(0.5)	–	(2.6)	–	(2.6)
At 31 December 2023[3]	**45.8**	**15.1**	**13.7**	**–**	**74.6**	**(49.9)**	**24.7**
Reclassification	–	(0.5)	(0.7)	0.7	(0.5)	–	(0.5)
Credited to profit or loss[4]	15.3	(3.0)	2.6	3.1	18.0	–	18.0
Foreign exchange differences	(0.1)	(0.9)	0.1	–	(0.9)	–	(0.9)
At 31 December 2024	61.0	10.7	15.7	3.8	91.2	(42.2)	49.0

Deferred tax liabilities	Goodwill and intangible assets £m	Leases and Property, plant and equipment[1] £m	Short term differences £m	Total £m	Offset[2] £m	Net deferred tax liabilities £m
At 1 January 2023[3]	**(69.7)**	**–**	**(11.4)**	**(81.1)**	**52.6**	**(28.5)**
Acquired through business combinations	(0.2)	–	–	(0.2)	–	(0.2)
Credited to profit or loss	7.5	–	(3.0)	4.5	–	4.5
Foreign exchange differences	1.8	–	1.0	2.8	–	2.8
At 31 December 2023[3]	**(60.6)**	**–**	**(13.4)**	**(74.0)**	**49.9**	**(24.1)**
Reclassification	–	–	0.5	0.5	–	0.5
Credited to profit or loss[5]	6.6	–	4.5	11.1	–	11.1
Foreign exchange differences	0.9	–	0.7	1.6	–	1.6
At 31 December 2024	(53.1)	–	(7.7)	(60.8)	42.2	(18.6)

Notes:
1. Includes deferred tax assets recognised on lease liabilities and dilapidation provisions of £10.1 million (2023: £13.1 million) and deferred tax liabilities recognised on right-of-use assets of £7.6 million (2023: £11.8 million).
2. Where there is a right of offset, any deferred tax assets and deferred tax liabilities within the same tax jurisdiction have been offset.
3. The comparatives as at 1 January 2023 and 31 December 2023 have been restated to account for the recognition of deferred tax balances related to certain business combinations in the prior years (see Note 2).
4. Includes a credit to the profit and loss account of £15.4 million in respect of the movement in deferred tax assets attributable to the impairment of goodwill and intangible assets.
5. Includes a credit to the profit and loss account of £5.4 million in respect of the movement in deferred tax liabilities attributable to the impairment of goodwill and intangible assets.

Recognition of the deferred tax assets is based upon the expected generation of future taxable profits. Our expectation is based on long-term planning. The deferred tax assets are expected to be recovered in more than one year's time and the deferred tax liabilities will reverse in more than one year's time as the intangible assets are amortised.

The value of unrecognised deferred tax assets on future losses is £3.5 million (2023: £2.0 million). The value of unrecognised deferred tax assets on future tax-deductible goodwill is £18.4 million (2023: £23.9 million).

Notes to the consolidated financial statements continued

16. Trade and other receivables

	2024 £m	2023 £m
Trade receivables	364.7	346.8
Prepayments	16.0	13.1
Accrued income	31.1	28.2
Other receivables	48.2	33.1
Total	460.0	**421.2**
Included in current assets	450.8	407.5
Included in non-current assets	9.2	13.7
Total	460.0	**421.2**

17. Cash and cash equivalents

The cash and cash equivalents in the statement of cash flows is made up as follows:

	2024 £m	2023 £m
Cash and bank	168.4	145.7
Cash and cash equivalents	168.4	**145.7**

18. Trade and other payables

	2024 £m	2023 £m
Trade payables	(236.7)	(249.1)
Accruals	(158.7)	(90.9)
Deferred income[1]	(49.6)	(53.6)
Sales taxes	(12.6)	(7.9)
Wage taxes and social security contributions	(7.0)	(7.7)
Other payables	(17.4)	(8.9)
Total	(482.0)	**(418.1)**
Included in current liabilities	(482.0)	(418.1)
Total	(482.0)	**(418.1)**

Note:

1. The deferred income as at 31 December 2023 has been fully recognised in the consolidated statement of profit or loss of 2024.

19. Loans and borrowings

Loans and borrowings	Bank loans £m	Senior secured term loan B (TLB) £m	Transaction costs £m	Interest payable on Facilities Agreement £m	Total £m
Balance at 1 January 2023	**(0.6)**	**(332.5)**	**6.9**	**(0.7)**	**(326.9)**
Acquired through business combinations	–	–	–	–	–
Repayments	0.2	–	–	23.1	23.3
Charged to profit or loss	–	–	(1.4)	(22.7)	(24.1)
Exchange rate differences	–	6.6	(0.1)	0.1	6.6
Total transactions during the year	**0.2**	**6.6**	**(1.5)**	**0.5**	**5.8**
At 31 December 2023	**(0.4)**	**(325.9)**	**5.4**	**(0.2)**	**(321.1)**
Acquired through business combinations	–	–	–	–	–
Repayments	0.2	–	–	23.8	24.0
Charged to profit or loss	–	–	(1.3)	(23.8)	(25.1)
Exchange rate differences	–	15.0	(0.2)	–	14.8
Total transactions during the year	0.2	15.0	(1.5)	–	13.7
At 31 December 2024	(0.2)	(310.9)	3.9	(0.2)	(307.4)
Included in current liabilities	–	–	–	(0.2)	(0.2)
Included in non-current liabilities	(0.2)	(310.9)	3.9	–	(307.2)

A. Facility agreement

S4Capital Group has a facility agreement, consisting of a Term Loan B (TLB) of EUR375 million and a multicurrency Revolving Credit Facility (RCF) of £100 million. During 2024, the RCF remained fully undrawn (2023: fully undrawn). The interest on TLB is the aggregate of the variable interest rate (EURIBOR) and a 3.75% margin. The interest on the multicurrency RCF facility is the aggregate of the variable interest rate (EURIBOR or, in relation to any loan in GBP, SONIA) and a margin range from 2.25% to 3.25% depending on the leverage. The duration of the facility agreement is seven years in relation to the TLB, therefore the termination date is August 2028. Post year end, £80 million of the RCF facility has been extended to February 2028, with the remaining £20 million terminating in August 2026.

Notes to the consolidated financial statements continued

19. Loans and borrowings continued

A. Facility agreement continued

During the reporting period, the average interest rate of the outstanding loans amounted to 6.92% (2023: 7.61%). The average effective interest rate for the outstanding loans is 7.36% (2023: 6.85%) and during the period interest expense of £23.8 million was recognised (2023: £22.7 million).

The facility agreement imposes certain covenants on the Group. S4Capital Group will ensure that the net debt will not exceed 4.5:1 of the pro-forma 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, as defined in the facility agreement. During the year S4Capital Group complied with the covenants set in the loan agreement. Certain subsidiaries of S4Capital Group guarantee its principal debt obligation and are obligors under the facility agreement.

20. Financial instruments

The Board of Directors of S4Capital plc has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. S4Capital Group reports in Pound Sterling. All funding requirements and financial risks are managed based on policies and procedures adopted by the Board. S4Capital Group does not issue or use financial instruments of a speculative nature.

S4Capital Group is exposed to the following financial risks:

- Market risk;
- Credit risk; and
- Liquidity risk.

The Group is exposed to risks that arise from its use of financial instruments. The principal financial instruments used by the Group, from which financial instrument risk arises, are trade and other receivables, cash and cash equivalents, accrued income, trade and other payables, loans and borrowings, contingent consideration and lease liabilities.

Fair values of the Group's financial assets and liabilities are categorised into different levels in a fair value hierarchy based on inputs used in the valuation techniques.

To the extent financial instruments are not carried at fair value in the consolidated balance sheet, the carrying amount approximates to fair value as of the financial year end due to being short term in nature.

Financial instruments by category

Financial assets	2024 £m	2023 £m
Financial assets held at amortised cost		
Cash and cash equivalents	168.4	145.7
Trade receivables	364.7	346.8
Accrued income	31.1	28.2
Other receivables	48.2	33.1
Total	**612.4**	**553.8**

Financial liabilities	2024 £m	2023 £m
Financial liabilities held at amortised cost		
Trade and other payables	(412.8)	(348.9)
Loans and borrowings	(307.4)	(321.1)
Lease liabilities	(42.5)	(49.0)
Financial liabilities held at fair value through profit or loss		
Contingent consideration and holdbacks	(9.5)	(25.5)
Total	**(772.2)**	**(744.5)**

The following table categorises the Group's financial liabilities held at fair value on the consolidated balance sheet. There have been no transfers between levels during the year (2023: none).

Financial liabilities held at fair value	2024 Fair value £m	2024 Level 3 £m	2023 Fair value £m	2023 Level 3 £m
Contingent consideration and holdbacks	(9.5)	(9.5)	(25.5)	(25.5)
Total	**(9.5)**	**(9.5)**	**(25.5)**	**(25.5)**

Notes to the consolidated financial statements continued

20. Financial instruments continued

The following table shows the movement in contingent consideration and holdbacks.

Contingent consideration and holdbacks	Performance linked contingent consideration £m	Employment linked contingent consideration £m	Holdbacks[1] £m	Total £m
Balance at 1 January 2023	**(10.9)**	**(151.7)**	**(26.0)**	**(188.6)**
Acquired through business combinations	(0.4)	–	–	(0.4)
Recognised in consolidated statement of profit or loss[2]	1.6	4.1	5.8	11.5
Cash paid	–	77.7	5.9	83.6
Equity settlement	–	62.3	0.4	62.7
Exchange rate differences	0.7	4.6	0.4	5.7
Balance at 31 December 2023	**(9.0)**	**(3.0)**	**(13.5)**	**(25.5)**
Acquired through business combinations	–	–	–	–
Recognised in consolidated statement of profit or loss[2]	–	(0.7)	3.0	2.3
Cash paid	6.7	2.9	3.9	13.5
Equity settlement	–	–	0.2	0.2
Exchange rate differences	(0.1)	–	0.1	–
Balance at 31 December 2024	**(2.4)**	**(0.8)**	**(6.3)**	**(9.5)**
Include in current liabilities	(8.6)	(3.0)	(6.6)	(18.2)
Included in non-current liabilities	(0.4)	–	(6.9)	(7.3)
Balance at 31 December 2023	**(9.0)**	**(3.0)**	**(13.5)**	**(25.5)**
Include in current liabilities	(2.4)	(0.8)	(1.5)	(4.7)
Included in non-current liabilities	–	–	(4.8)	(4.8)
Balance at 31 December 2024	**(2.4)**	**(0.8)**	**(6.3)**	**(9.5)**

Notes:
1. Holdback payments of £3.9 million (2023: £5.9 million) includes £3.9 million (2023: £3.3 million) of cash paid out escrow accounts.
2. Includes a charge of £0.7 million (2023: £13.2 million) relating to employment linked contingent consideration and holdback deemed remuneration and a credit of £3.0 million relating to a fair value gain (2023: £24.7 million).

Where the contingent consideration conditions have been satisfied, consideration that is payable as equity is recognised within Other Reserves as deferred equity consideration. See Note 21.

The fair value of the performance linked contingent consideration has been determined based on management's best estimate of achieving future targets to which the consideration is linked. The most significant unobservable input used in the fair value measurements is the future forecast performance of the acquired business. The fair value is assessed and recognised at the acquisition date, and reassessed at each balance sheet date thereafter, until fully settled, cancelled or expired. Any change in the range of future outcomes is recognised in the consolidated statement of profit or loss as a fair value gain or loss. During the year ended 31 December 2024, a fair value gain of £nil (2023: £1.6 million) was recognised in the consolidated statement of profit or loss.

The fair value of the employment linked contingent consideration has been determined based on management's best estimate of achieving future targets to which the consideration is linked. The most significant unobservable input used in the fair value measurements is the future forecast performance of the acquired business. The fair value is assessed at the acquisition date, and systematically accrued over the respective employment term. Any changes in the range of future outcomes are recognised in the consolidated statement of profit or loss as a fair value gain or loss. During the year ended 31 December 2024, a £0.7 million charge (2023: £4.1 million credit) was recognised in the consolidated statement of profit or loss. The £0.7 million (2023: £4.1 million credit) comprised a charge of £0.7 million (2023: £13.2 million) relating to the systematic accrual of the employment linked contingent consideration and a fair value gain of £nil (2023: £17.3 million).

Holdbacks relate to amounts held by the Group to cover and indemnify the Group against certain acquisition costs and any damages. The fair value of the holdbacks has been determined based on management's best estimate of the level of the costs incurred and any damages expected to which the holdback is linked, which is the most significant unobservable input used in the fair value measurement. During the year ended 31 December 2024, a credit of £3.0 million (2023: £5.8 million credit) has been recognised in the consolidated statement of profit or loss, which related to holdbacks liabilities linked to employment. No further amounts are to be charged to the consolidated statement of profit or loss.

Notes to the consolidated financial statements continued

20. Financial instruments continued

A. Market risk

Market risk arises from the Group's use of interest bearing and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or foreign exchange rates (currency risk).

Interest rate risk

S4Capital Group is exposed to cash flow interest rate risk from bank borrowings at variable rates. S4Capital Group's bank loans and other borrowings are disclosed in Note 19. S4Capital Group manages the interest rate risk centrally.

The Group's treasury function reviews its risk management strategy on a regular basis and will, as appropriate, enter into derivative financial instruments in order to manage interest rate risk.

The following table demonstrates the sensitivity to a 1% change (lower/higher) to the interest rates of the loans and borrowings as of year end to the loss in the current year before tax (increase/decrease) and net assets (increase/decrease) for the year if all other variables are held constant:

	2024 £m	2023 £m
Bank loans	311.1	326.3
+/- 1% impact	3.1	**3.3**

The contractual repricing or maturity dates, whichever dates are earlier, and effective interest rates of borrowings are disclosed in Note 19.

Foreign exchange risk

Foreign exchange risk is the risk that movements in exchange rates affect the profitability of the business. Management estimate that for a one cent change in the exchange rate between USD and GBP, net revenue will change by approximately £4.0 million, and operational EBITDA will change by approximately £1.4 million. S4Capital Group manages this risk through natural hedging. The effect of fluctuations in exchange rates on the USD, EUR and other currencies denominated trade receivables and payables is partially offset.

The Group considers the need to hedge its exposure as appropriate and, if needed, will enter into forward foreign exchange contracts to mitigate any significant risks.

The S4Capital Group's gross exposure to foreign exchange risk is as follows:

At 31 December 2024	GBP £m	USD £m	EUR £m	Other currencies £m	Total £m
Trade receivables	10.2	276.4	27.4	50.7	364.7
Cash and cash equivalents	(4.0)	83.5	26.0	62.9	168.4
Trade payables	(5.9)	(178.0)	(16.4)	(36.4)	(236.7)
Loans and borrowings	–	–	(311.3)	–	(311.3)
Financial assets/(liabilities)	0.3	181.9	(274.3)	77.2	(14.9)
+/- 10% impact	–	18.2	(27.4)	7.7	(1.5)

At 31 December 2023	GBP £m	USD £m	EUR £m	Other currencies £m	Total £m
Trade receivables	14.8	241.9	36.6	53.5	346.8
Cash and cash equivalents	(23.8)	91.2	15.1	63.2	145.7
Trade payables	(9.5)	(175.1)	(20.3)	(44.2)	(249.1)
Loans and borrowings	–	–	(326.5)	–	(326.5)
Financial assets/(liabilities)	**(18.5)**	**158.0**	**(295.1)**	**72.5**	**(83.1)**
+/- 10% impact	**–**	**15.8**	**(29.5)**	**7.3**	**(6.4)**

B. Credit risk

Credit risk is the risk of financial loss to S4Capital Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. S4Capital Group is exposed to credit risk primarily attributable to its receivable balance from customers. The Group's net trade receivables for the reported periods are disclosed in the financial assets table above.

S4Capital Group attempts to mitigate credit risk by assessing the credit rating of new customers prior to entering into contracts and by entering contracts with customers with agreed credit terms. In order to minimise this credit risk, S4Capital Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount. S4Capital Group evaluates the collectability of its accounts receivable and provides an allowance for expected credit losses based upon the ageing of receivables.

Notes to the consolidated financial statements continued

20. Financial instruments continued

B. Credit risk continued

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The loss allowance for other receivables is based on the three stage expected credit loss model. No other receivables have had material impairment.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before the end of the period and the corresponding historical credit losses experienced within this period. The Group's assessment of expected credit losses includes provisions for specific clients and receivables where the contractual cash flow is deemed at risk. Considerations include the current economic environment along with historical loss rates for each category of customers. The Group has identified the current and future health of the economy (such as market interest rates and growth rates), of the countries in which it sells its services to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors. Additional provisions are made based on the assessment of recoverability of aged receivables where sufficient evidence of recoverability is not evident.

On that basis, the loss allowance for trade receivables is determined as follows:

Trade receivables	Expected Credit Loss Rate	Gross trade receivables £m	Impairment provision £m	Net trade receivables £m
Not passed due	0.20–0.25%	286.0	(0.6)	285.4
Past due 1 day to 30 days	0.40–0.50%	49.4	(0.2)	49.2
Past due 31 days to 60 days	0.60–1.00%	16.0	(0.1)	15.9
Past due 61 days to 90 days	0.80–2.00%	4.0	(0.1)	3.9
Past due more than 90 days	1.00–7.50%	8.8	(0.4)	8.4
Specific provisions against individual debtors	up to 100%	4.3	(2.4)	1.9
Balance at 31 December 2024		368.5	(3.8)	364.7

Trade receivables	Expected Credit Loss Rate	Gross trade receivables £m	Impairment provision £m	Net trade receivables £m
Not passed due	0.20–0.25%	273.6	(0.6)	273.0
Past due 1 day to 30 days	0.40–0.50%	54.1	(0.3)	53.8
Past due 31 days to 60 days	0.60–1.00%	7.3	(0.1)	7.2
Past due 61 days to 90 days	0.80–2.00%	3.3	(0.1)	3.2
Past due more than 90 days	1.00–7.50%	10.1	(0.5)	9.6
Specific provisions against individual debtors	up to 100%	7.4	(7.4)	–
Balance at 31 December 2023		**355.8**	**(9.0)**	**346.8**

Trade receivables are written off when there is no reasonable expectation of recovery. The Group has a process of assessing the creditworthiness of customers which includes review of payment history, external credit ratings, industry specific risks, review of financial statements, monitoring of market news and developments and direct communication with customers to identify early signs of payment difficulties. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with S4Capital Group.

The changes in the loss allowance for trade receivables is as follows:

	2024 £m	2023 £m
Balance at the beginning of the year	9.0	5.8
Utilised during the period	(6.6)	(0.4)
Charge for the year	1.4	3.6
Balance at the end of the year	3.8	**9.0**

Due to the short-term nature of the trade and other receivables, their carrying amount is considered to be the same as their fair value.

Expected credit losses on accrued income and other receivables were immaterial for the years presented.

Notes to the consolidated financial statements continued

20. Financial instruments continued

B. Credit risk continued

Credit risk on cash and cash equivalents is considered to be small as the majority of external counterparties are substantial banks with high credit ratings assigned by international credit rating agencies and are managed through regular review. As per the end of the reporting period, credit ratings are summarised in the table below:

	2024 £m	2023 £m
Aa 1	4.9	–
Aa2	85.8	66.4
Aa3	24.5	33.6
A 1	15.4	23.8
A 2	23.7	3.9
A 3	5.1	5.1
Baa 1	–	0.2
Baa 2	1.3	0.7
Ba 1	2.3	2.9
No credit rating	5.4	9.1
Total cash and cash equivalents	**168.4**	**145.7**

The maximum exposure is the amount of the deposit. To date, S4Capital Group has not experienced any losses on its cash and cash equivalent deposits.

Other receivables primarily comprise escrow account balances held against holdbacks and lease rental deposits. The credit risk on most of these balances are limited as the balances are held with banks which have high credit ratings, and the Group has not experienced any losses on the other receivables.

C. Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that S4Capital Group will encounter difficulty in meeting its financial obligations as they fall due. The Group monitors its liquidity risk using a cash flow projection model which considers the maturity of the Group's assets and liabilities and the projected cash flows from operations. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The table below analyses the Group's financial liabilities by contractual maturities and all amounts disclosed in the table are the undiscounted contractual cash flows:

At 31 December 2024	Within 1 year £m	1–2 years £m	2–5 years £m	More than 5 years £m
Trade payables	236.7	–	–	–
Lease liabilities	14.7	12.9	18.2	1.1
Contingent consideration and holdbacks	4.7	4.8	–	–
Loans and borrowings	0.2	–	310.9	–
Interest payments	23.8	23.8	38.3	–
Total	**280.1**	**41.5**	**367.4**	**1.1**

At 31 December 2023	Within 1 year £m	1–2 years £m	2–5 years £m	More than 5 years £m
Trade payables	249.1	–	–	–
Lease liabilities	15.7	13.9	31.0	1.2
Contingent consideration and holdbacks	18.2	7.3	–	–
Loans and borrowings	0.2	0.2	325.9	–
Interest payments	23.0	23.0	59.6	–
Total	**306.2**	**44.4**	**416.5**	**1.2**

Notes to the consolidated financial statements continued

20. Financial instruments continued

D. Capital management

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareowners and benefits for other stakeholders; and
- to provide an adequate return to shareowners by pricing products and services commensurately with the level of risk.

The risks to safeguard the ability to continue as a going concern and to provide an adequate return to our shareowners are reviewed and discussed regularly by the Board in order to meet our objectives.

As per the end of the reporting period, the Group's net debt position is made up as follows:

	2024 £m	2023 £m
Loans and borrowings	(311.3)	(326.5)
Cash and bank	168.4	145.7
Total	**(142.9)**	**(180.8)**

Changes in loans and borrowings is disclosed further in Note 19.

The Group's capital as at the end of the reporting period is disclosed on page 117.

The capital structure of S4Capital Group consists of shareowners' equity as set out in the consolidated statement of changes in equity. All working capital requirements are financed from existing cash resources and borrowings. The Group is not subject to externally imposed regulatory capital requirements.

21. Equity

A. Share capital and share premium

The authorised share capital of S4Capital plc contains an unlimited number of Ordinary Shares having a nominal value of £0.25 per Ordinary Share. At the end of the reporting period, the issued and paid up share capital of S4Capital plc consisted of 619,636,656 (2023: 583,064,256) Ordinary Shares having a nominal value of £0.25 per Ordinary Share.

On 28 September 2018 S4Capital issued 1 B share at a price of 100 pence per share to Sir Martin Sorrell. See the Governance Report on page 71 for details.

The share premium is net of costs directly relating to the issuance of shares. In accordance with Section 612 of the Companies Act 2006, merger relief has been applied on share for share exchanges. No share issuances in the current or prior period qualified for merger relief.

Amount subscribed for share capital in excess of nominal value less transaction costs.

During the year ended 31 December 2024, £9.0 million and £84.5 million has been credited to share capital and share premium in relation to the deferred equity consideration and contingent consideration which have been issued during the period. The amounts credited to share capital and share premium comprise of TheoremOne (£4.7 million and £49.6 million respectively), Raccoon (£2.7 million and £23.5 million respectively), XX Artists (£0.8 million and £6.7 million respectively), Zemoga (£0.3 million and £2.0 million respectively), 4 Mile (£0.2 million and £2.3 million respectively), Hoorah (£0.3 million and £0.3 million respectively) and Destined (£nil and £0.1 million respectively).

During the year ended 31 December 2023, £3.9 million and £74.5 million was credited to share capital and share premium in relation to the deferred equity consideration and contingent consideration which were issued during the period. The amounts credited to share capital and share premium comprised of Decoded (£2.3 million and £45.6 million respectively), Raccoon (£0.8 million and £16.1 million respectively), Cashmere (£0.3 million and £6.8 million respectively), Zemoga (£0.3 million and £5.3 million respectively), and Miyagi (£0.2 million and £0.7 million respectively).

B. Reserves

The following describes the nature and purpose of each reserve within equity:

Merger reserves by merger relief	Amount subscribed for share capital in excess of nominal value less transaction costs as required by merger relief. Further details are in section D.
Other reserves	Other reserves include treasury shares issued in the name of S4Capital plc to an employee benefit trust, EBT pool C and MightyHive. Included within other reserves is the deferred equity consideration relating to the initial deferred equity consideration and deferred equity consideration following the achievement of contingent consideration criteria.
Foreign exchange reserves	Legal reserve for foreign exchange translation gains and losses on the translation of the financial statements of a subsidiary from the functional to the presentation currency.
Retained earnings	Retained earnings represents the net gain for the year and all other net gains and losses and transactions with shareowners (example dividends) not recognised elsewhere.

Notes to the consolidated financial statements continued

21. Equity continued

B. Reserves continued

The following table shows the amount of deferred equity consideration, and number of shares, held in other reserves by acquisition.

	2024 £m	2024 shares	2023 £m	2023 shares
TheoremOne	26.4	20,974,897	81.4	40,217,125
Raccoon	17.4	18,345,301	43.6	29,217,838
XX Artists	17.5	17,987,325	25.3	21,384,430
Zemoga	–	–	3.4	1,629,599
4 Mile	–	–	2.3	441,623
Destined	–	–	0.2	66,921
Total	61.3	57,307,523	**156.2**	**92,957,536**

C. Non-controlling interest

On 24 May 2018, non-controlling interests arose as a result of the issuance of 4,000 A2 incentive shares by S4Capital 2 Limited subscribed at fair value for £0.1 million and paid in full.

The incentive shares provide a financial reward to executives of S4Capital Group for delivering shareowner value, conditional on achieving a preferred rate of return. The incentive shares entitle the holders, subject to certain performance conditions and leaver provisions, up to 15%, of the growth in value of S4Capital 2 Limited provided that certain performance conditions have been met. Further details are within the Remuneration Report on page 96.

D. Share capital and merger reserve realisation

On 13 September 2022, the Group undertook a reduction of capital to effect 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) at that date, 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 was registered by the Registrar of Companies on 21 September 2022. This will provide the Group with the flexibility to make future purchases of its own shares and/or to make future ordinary course dividends. The Board continues to review the advisability of declaring a modest dividend in future.

22. Dividends

For both the current and prior year, no dividends were paid by S4Capital plc to its shareowners. On the 23 March 2025 the Board proposed to pay a final dividend of 1p per share, amounting to £6.1 million, subject to shareowner approval. This will be paid on 10 July 2025 to all shareowners on the register as at 6 June 2025.

23. Share-based payments

As at 31 December 2024, a total number of 1,045,250 (31 December 2023: 4,956,597) shares are held by the Equity Benefit Trust (EBT). The EBT will be used for future option schemes and bonus shares for employees.

Awards movement during the reporting period	Employee Share Ownership Plan m	Restricted stock units m	All-employee incentive plan m	A1 incentive share options m	Total m
Outstanding at 1 January 2023	**15.9**	**1.9**	**0.6**	**–**	**18.4**
Granted	16.2	–	–	–	16.2
Exercised	(1.8)	(0.6)	–	–	(2.4)
Lapsed	(4.9)	–	(0.1)	–	(5.0)
Outstanding at 31 December 2023	**25.4**	**1.3**	**0.5**	**–**	**27.2**
Granted	24.4	–	–	–	24.4
Exercised	(3.7)	(0.2)	–	–	(3.9)
Lapsed	(10.3)	(0.2)	–	–	(10.5)
Outstanding at 31 December 2024	35.8	0.9	0.5	–	37.2
Exercisable at 31 December 2024	4.3	0.9	0.5	–	5.7
Within 1 year	3.6	–	–	–	3.6
1–2 years	15.9	–	–	–	15.9
2–5 years	12.0	–	–	–	12.0
Outstanding at 31 December 2024	35.8	0.9	0.5	–	37.2

Employee Share Ownership Plan (ESOP) – previously known as Discretionary Share Option Plan (DSOP)

In 2021, the S4Capital Group Board approved employee option schemes for key employees of 3,124,241 options over S4Capital plc Ordinary Shares with an exercise price of between £nil and £8.04 and a maximum term of six years. In 2022 6,741,277 options were approved by the Board with an exercise price in the range between £nil and £5.72 and a maximum term of four years. In 2023 an additional 4,575,606 options were approved by the Board with an exercise price in the range between £nil and £5.60 and a maximum term of 3 years. In 2024 an additional 9,375,889 options were approved by the Board with an exercise price

Notes to the consolidated financial statements continued

23. Share-based payments continued

in the range between £nil and £2.00 and a maximum term of 3 years. In accordance with IFRS 2, the Group recognises share-based payment charges from the date of granting the option plans until the vesting of the option plans. Vesting of the options are subject to S4Capital Group achieving year on year business performance targets and options holders achieving personnel performance targets with continued employment. During 2024, 3,742,510 (2023: 1,799,929) options were exercised with an average weighted exercise price of £nil.

During 2024 a total charge of £3.7 million (2023: £4.7 million) was recognised in relation to the ESOP and DSOP.

Long Term Incentive Plan (LTIP)

In 2023, the S4Capital Group Board approved a long term incentive plan for key employees of 11,639,329 options over S4Capital plc Ordinary Shares with an exercise price of between £1.17 and £2.00 and a maximum term of three years. During 2024, 15,037,796 options have been approved by the Board with an exercise price of between £nil and £2.00 and a maximum term of 3 years. In accordance with IFRS 2, the Group recognises share-based payment charges from the date of granting the option plans until the vesting of the option plans. Vesting of the options are subject to S4Capital Group achieving year on year business performance targets and options holders achieving performance targets with continued employment. During 2024, nil options were exercised.

During 2024 a total charge of £1.2 million (2023: £0.8 million) is recognised in relation to the LTIP.

Restricted Stock Units (RSUs)

In December 2018, the S4Capital Group Board approved an employee option scheme of 8,952,610 RSUs over S4Capital plc Ordinary Shares. During 2019 to 2024 no RSUs were approved. In accordance with IFRS 2, the Group recognises a share-based payment charge from grant date until vesting date in relation to this option plan. Vesting of the RSUs are subject to continued employment and have a maximum term of 4 years. During the reporting period a total of 163,294 shares (2023: 589,387) were exercised by employees with an average exercise price of nil pence.

During 2024 a total charge of £nil (2023: £0.1 million) is recognised in relation to the RSU plan.

A1 incentive share options

In 2019, the S4Capital Group Board approved 2,000 options over A1 incentive shares in S4Capital 2 Limited to executives. In accordance with IFRS 2, the Group recognises share-based payment charges from the date of granting the option plans till the moment of vesting of the option plans. During 2024 a total charge of £1.9 million (2023: £4.5 million) is recognised in relation to the A1 incentive share options. Full disclosure of these options is contained within the Remuneration Report on page 96. These shares are potentially dilutive for the purposes of calculating diluted EPS if the Company were to recognise a profit in future years and if the growth target (as detailed on page 96) is met.

All-employee incentive plan

In 2019, the S4Capital Group Board approved an employee option scheme of 873,500 options, with an average exercise price of nil pence, over S4Capital Ordinary Shares for all employees employed by the S4Capital Group at 30 November 2018. Based on the number of years service at Media.Monks Group all employees received a set amount of options over S4Capital Ordinary Shares. In accordance with IFRS 2, the Group recognised a share-based payment charge from January 2019 until vesting date in relation to this option plan. Vesting of the options are subject to continued employment and have a maximum term of 6 years. During 2024 £nil (2023 :£nil) was recognised in relation to the all-employee incentive plan.

A credit of £0.3 million (2023: £nil) has been taken in the year in relation to employer social security costs on share-based payment schemes.

Valuation methodology

For all of these schemes, the valuation methodology is based upon fair value on grant date, which is determined by the market price on that date or the application of a Black-Scholes or Monte-Carlo model, depending upon the characteristics of the scheme concerned. The assumptions underlying the models are detailed below. Market price on any given day is obtained from external, publicly available sources.

Notes to the consolidated financial statements continued

23. Share-based payments continued

During 2024, 24,413,685 granted options in the ESOP and LTIP plans have an exercise price in the range between £nil and £2.00. The weighted average fair value of options granted in the year was as follows:

	2024
Weighted average of fair value of options	£0.22
Weighted average assumptions	
Risk free rate	1.0%
Expected life (years)	0.6
Expected volatility	19.4%
Dividend yield	n/a

The weighted average exercise price of options outstanding at the beginning of the financial year was £0.53. The weighted average exercise price of options forfeited during the year ended 31 December 2024 was £0.45 (2023: £1.14).

Expected life is the weighted average life across all shares granted. Expected volatility is sourced from external market data and represents the historical volatility of share prices of comparable company datasets over a period equivalent to the expected option life.

The options were exercised on a regular basis during the period; the average share price in 2024 was £0.45 (2023: £1.24).

The range of exercise prices of the share options outstanding as at 31 December 2024 outstanding and the weighted average remaining contractual life were as follows:

	Number of options	Exercise price	Weighted remaining contractual life
Share options outstanding	67,315	–	9.58
Share options outstanding	3,315,024	–	1.11
Share options outstanding	14,067,379	–	2.14
Share options outstanding	616,620	41	9.24
Share options outstanding	106,539	117	8.59
Share options outstanding	167,000	127	8.54
Share options outstanding	226,339	142	1.67
Share options outstanding	50,000	149	7.75
Share options outstanding	337,861	151	7.59
Share options outstanding	418,043	180	4.10
Share options outstanding	13,848,924	200	8.95
Share options outstanding	2,089,569	237	6.56
Share options outstanding	9,977	322	8.38
Share options outstanding	39,766	377	7.84
Share options outstanding	52,375	382	6.12
Share options outstanding	32,538	399	7.94
Share options outstanding	2,939	426	8.63
Share options outstanding	40,000	488	5.31
Share options outstanding	161,533	502	5.32
Share options outstanding	10,500	526	6.45
Share options outstanding	44,500	536	6.48
Share options outstanding	19,134	554	5.42
Share options outstanding	49,500	605	6.91
Share options outstanding	14,988	804	5.04
Total share options outstanding	35,788,363		

Notes to the consolidated financial statements continued

24. Net debt reconciliation

The following table shows the reconciliation of net cash flow to movements in net debt:

	Borrowings and overdraft £m	Cash £m	Net debt £m	Leases £m	Net debt including lease liabilities £m
Net debt as at 1 January 2023	**(333.8)**	**223.6**	**(110.2)**	**(58.4)**	**(168.6)**
Financing cash flows	0.2	(67.0)	(66.8)	16.3	(50.5)
Acquired through business combinations	–	–	–	(0.2)	(0.2)
Lease additions	–	–	–	(14.0)	(14.0)
Foreign exchange adjustments	6.8	(10.9)	(4.1)	1.1	(3.0)
Interest expense	(22.7)	–	(22.7)	(2.3)	(25.0)
Interest payment	23.1	–	23.1	2.3	25.4
Other	(0.1)	–	(0.1)	6.2	6.1
Net debt as at 31 December 2023	**(326.5)**	**145.7**	**(180.8)**	**(49.0)**	**(229.8)**
Financing cash flows	0.2	27.3	27.5	12.7	40.2
Acquired through business combinations	–	–	–	–	–
Lease additions	–	–	–	(2.0)	(2.0)
Foreign exchange adjustments	15.0	(4.6)	10.4	1.6	12.0
Interest expense	(25.5)	–	(25.5)	(2.5)	(28.0)
Interest payment	25.5	–	25.5	2.5	28.0
Other	–	–	–	(5.8)	(5.8)
Net debt as at 31 December 2024	**(311.3)**	**168.4**	**(142.9)**	**(42.5)**	**(185.4)**

25. Related party transactions

Compensation for key management personnel is made up as follows:

	2024 £m	2023 £m
Short-term employee benefits	4.1	1.9
Share-based payments	2.6	6.6
Pension	0.1	0.1
Total	6.8	8.6

Details of compensation for key management personnel are disclosed on pages 91 to 92.

Interest in S4S Ventures and Hoorah

The Group, through its subsidiary S4Capital 2 Limited a directly owned subsidiary, 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 Luxembourg company. The GP also controls S4S Ventures General Partner LLC. The GP has since established two S4S Ventures funds established in Luxembourg and the US.

During the year the Group invested in Hoorah Digital Proprietary Limited, a South African, minority-owned, digital media business. See Note 14.

S4Capital Group did not have any other related party transactions during the financial year (2023: £nil).

26. Contingent liabilities

Capital commitments

Capital commitments represents capital expenditure contracted for at the end of the reporting period but not yet incurred at the period end. At 31 December 2024, S4Capital Group has no capital commitments outstanding (2023: £nil).

27. Events occurring after the reporting period

The Revolving Credit Facility has been extended to a maturity date of February 2028 for £80 million, with all four relationship banks extending on the same terms. The RCF remains undrawn as at 31 December 2024. On the 23 March 2025 the Board proposed a final dividend of 1p per share, amounting to £6.1 million, subject to shareowner approval. This will be paid on 10 July 2025 to all shareowners on the register as at 6 June 2025. There were no other material post balance sheet events, that require adjustment or disclosure, occurring between the reporting period and the 23 March 2025.

Notes to the consolidated financial statements continued

28. Interest in other entities

Subsidiaries

The Group's subsidiaries at the end of the reporting period are set out below. Unless otherwise stated, they have share capital consisting solely of Ordinary Shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. S4Capital 2 Limited has Ordinary Shares, 4,000 A2 incentive shares, 2,000 options over A1 incentive shares as disclosed in Note 21. S4Capital plc directly holds effectively 100% of the ordinary shares in S4Capital 2 Limited. S4Capital plc indirectly holds effectively 100% of the ordinary shares in the other entities.

Name of entity	Address of the registered office	Place of business/ Country of incorporation	Ownership interest %	Principal activity
S4 Capital 2 Limited	3rd Floor, 44 Esplanade St Helier, JE4 9WG	Jersey	100	Holding company
S4 Capital Acquisitions 1 Limited	3rd Floor, 44 Esplanade St Helier, JE4 9WG	Jersey	100	Financing company
S4 Capital Acquisitions 2 Limited	3rd Floor, 44 Esplanade St Helier, JE4 9WG	Jersey	100	Holding company
S4 Capital APAC Holdings Limited	3rd Floor, 44 Esplanade St Helier, JE4 9WG	Jersey	100	Holding company
S4 Capital AUD Finance Limited	3rd Floor, 44 Esplanade St Helier, JE4 9WG	Jersey	100	Financing company
S4 Capital Australia Holdings Pty Ltd (Previously MEdiaMonks Australia Holding Pty Ltd)	HWL Ebsworth Lawyers 'Australia Square' Level 14, 264–278 George Street, Sydney, NSW 2000	Australia	100	Holding company
S4 Capital BRL Finance Limited	12 St. James's Place, London, SW1A 1NX	United Kingdom	100	Financing company
S4 Capital CAD Finance Limited	3rd Floor, 44 Esplanade St Helier, JE4 9WG	Jersey	100	Financing company
S4 Capital EMEA Holdings B.V.	Oude Amersfoortseweg 125, 1212 AA Hilversum	The Netherlands	100	Holding company
S4 Capital EUR Finance Limited	3rd Floor, 44 Esplanade St Helier, JE4 9WG	Jersey	100	Financing company
S4 Capital France Holdings SAS	43–47 Avenue de la Grande Armée, 75116 Paris	France	100	Holding company
S4 Capital Germany Holdings GmbH	Zielstattstraße 40 c/o BDO AG, 81379, München	Germany	100	Holding company
S4 Capital Holdings Limited	3rd Floor, 44 Esplanade St Helier, JE4 9WG	Jersey	100	Holding company
S4 Capital INR Finance Limited	3rd Floor, 44 Esplanade St Helier, JE4 9WG	Jersey	100	Financing company
S4 Capital Investment Pte Ltd	19 Keppel Road, #02–08, Jit Poh Building, Singapore 089058	Singapore	100	Holding company
S4 Capital Italy Holdings Srl	Viale Abruzzi 94 CAP 20131 Milano	Italy	100	Holding company
S4 Capital LUX Finance S.àr.l.	2A Rue Nicolas Bové. L-1253 Luxembourg	Luxembourg	100	Financing company
S4 Capital Services Limited	3rd Floor, 44 Esplanade St Helier, JE4 9WG	Jersey	100	Financing company
S4 Capital South America Holdings Limited	3rd Floor, 44 Esplanade St Helier, JE4 9WG	Jersey	100	Holding company
S4 Capital UK Holdings Limited	3rd Floor, 44 Esplanade St Helier, JE4 9WG	Jersey	100	Holding company
S4 Capital US Holdings LLC	251 Little Falls Drive, Wilmington, DE 19808	United States of America	100	Holding company
4 Mile Analytics Pty Ltd	Suite 1003, Level 10, 28 Margaret St, Sydney, NSW, 2000	Australia	100	Data&Digital Media
Brightblue Consulting Limited	Media.Monks, Bonhill Building, 15 Bonhill Street, London, England, EC2A 4DN	United Kingdom	100	Content
Brightblue Holdings Limited	Media.Monks, Bonhill Building, 15 Bonhill Street, London, England, EC2A 4DN	United Kingdom	100	Holding company

Notes to the consolidated financial statements continued

28. Interest in other entities continued

Name of entity	Address of the registered office	Place of business/ Country of incorporation	Ownership interest %	Principal activity
Cashmere Agency Inc.	850 New Burton Road, Suite 201, City of Dover, County of Kent, Delaware 19904	United States of America	100	Content
Circus BA S.A.	Tucumán 1, 4th. Floor, City of Buenos Aires, C1049AAA	Argentina	100	Content
Circus Colombia S.A.S	Calle 95 15-09 Piso 3, Bogotá, D.C Codigo postal: 110221	Colombia	100	Content
Circus Marketing DF, S.A.P.I DE C.V	Avenida Amsterdam 271, Interior 203, Colonia Hipodromo, Cuauhtemoc, 06100 Ciudad de Mexico, Mexico	Mexico	100	Content
Circus Network Holding, S.A.P.I. DE C.V.	Avenida Amsterdam 271, Interior 203, Colonia Hipodromo, Cuauhtemoc, 06100 Ciudad de Mexico, Mexico	Mexico	100	Holding company
Citrusbyte, LLC (DBA TheoremOne, LLC)	21550 Oxnard St, 3rd Floor, #11 Woodland Hills, CA 91367	United States of America	100	Technology Services
Conversion Works Limited	Media.Monks, Bonhill Building, 15 Bonhill Street, London, England, EC2A 4DN	United Kingdom	100	Data&Digital Media
Decoded Advanced Media LLC	800 North State Street, Suite 304, Dover, Kent County, Delaware 19901	United States of America	100	Content
Decoded Advertising LLC	800 North State Street, Suite 304, Dover, Kent County, Delaware 19901	United States of America	100	Content
Decoded US Holdco Inc	850 New Burton Road, Suite 201, Dover, Delaware, 19904	United States of America	100	Holding company
Destined 4 Pty Ltd	HWL Ebsworth Lawyers, Level 14, 'Australia Square', 264-278 George Street, Sydney Cove NSW 2000	Australia	100	Data&Digital Media
Destined 5 Pte Ltd	30 Cecil Street, #19-08, Prudential Tower, Singapore (049712)	Singapore	100	Data&Digital Media
Digocloud SAS	Calle 95 15-09 Piso 3, Bogotá, D.C Codigo postal: 110221	Colombia	100	Data&Digital Media
Digodat SA	Tucumán 1, 4th. Floor, City of Buenos Aires C1049AAA	Argentina	100	Data&Digital Media
Digolab SPA	La Capitanía nro 80, Bloque Of Dpto, 108 Las Condes, Santiago	Chile	100	Data&Digital Media
Digosoft SRL de CV	Goldsmith 40, ofna 9, Colonia Polanco, Delegación Miguel Hidalgo, Ciudad de México, CP 11550	Mexico	100	Data&Digital Media
Egypt.Monks for Distribution and Production LLC	Cairo, Kasr El-Nil, South room of apartment no. 101 in building no. 13 Mohamed Ali Genah St., formerly Al-Bergas Street - Garden City, Kasr El-Nil, Cairo.	Egypt	100	Content
Firewood Marketing Inc	850 New Burton Road, Suite 201, City of Dover, County of Kent, Delaware 19904	United States of America	100	Content
Flying Nimbus SAS	Tucumán 1, 4th. Floor, City of Buenos Aires C1049AAA	Argentina	100	Data&Digital Media
Formula Consultants Inc.	2300 East Katella Avenue, Suite 355, Anaheim CA 92806	United States of America	100	Technology Services
Formula Partners, LLC	2140 S. Dupont Highway Camden, DE 19934	United States of America	100	Technology Services
Hilanders (Hong Kong) Limited	Room 303, 3/F, Golden Gate Commercial Building, 136-138 Austin Road, Tsim Sha Tsui, Kowloon, Hong Kong	Hong Kong	100	Content
Lemma Solutions LLC	2140 S. Dupont Highway Camden, DE 19934	United States of America	100	Technology Services

Notes to the consolidated financial statements continued

28. Interest in other entities continued

Name of entity	Address of the registered office	Place of business/ Country of incorporation	Ownership interest %	Principal activity
Lens10 Pty Ltd	'Tower Three International Towers' Level 16 300 Barangaroo Avenue, Barangaroo NSW 2000	Australia	100	Data&Digital Media
Maverick Digital Inc	838 Walker Road, Suite 21-2, Dover, County of Kent, 19904, Delaware.	United States of America	100	Data&Digital Media
Maverick Digital Services Pvt Ltd	25/30, Third Floor, Babaji Complex, Tilak Nagar, Delhi 110018	India	100	Data&Digital Media
MediaMonks Canada Holdings Inc.	850 New Burton Road, Suite 201, Dover, Delaware, 19904	United States of America	100	Holding company
MEDIA.MONKS DUBLIN LIMITED	Block C, Magennis Pl, Pearse St, Dublin, D02 FK76, Ireland	Ireland	100	Content
Media.Monks DDM (Hilversum) B.V.	Oude Amersfoortseweg 125, 1212 AA Hilversum	The Netherlands	100	Data&Digital Media
Media.Monks Paris SAS	17 rue Martel – 75010 Paris	France	100	Content
Media.Monks Publishing B.V.	Oude Amersfoortseweg 125, 1212 AA Hilversum	The Netherlands	100	Content
Media.Monks Taiwan Co. Ltd	27F., No.9, Songgao Rd., Xinyi Dist., Taipei City 110, (R.O.C.)	Taiwan	100	Data&Digital Media
MediaMonks Arabian Company for Media Production LLC	Bld 8087, Street Handalah Ibn Malik, Al wourud Dist., Riyadh, KSA Postal code : 12253	Kingdom of Saudi Arabia	100	Content
MediaMonks Australia Pty Ltd	HWL Ebsworth Lawyers, Level 14, Australia Square, 264-278 George Street, Sydney Cove NSW 2000	Australia	100	Content
MediaMonks B.V.	Oude Amersfoortseweg 125, 1212 AA Hilversum	The Netherlands	100	Content
MediaMonks Buenos Aires SRL	Tucumán 1, 4th Floor, Buenos Aires	Argentina	100	Content
MediaMonks Cape Town Pty Ltd	410 The Hills, Buchanan Square, 160 Sir Lowry Road, Woodstock 7925, Cape Town	South Africa	100	Content
MediaMonks FZ-LLC	Dubai Media City Building 9, Third floor, unit 318, Dubai, U.A.E.	United Arab Emirates	100	Content
MediaMonks Germany GmbH	Münchner Freiheit 2, 80802 München	Germany	100	Content
MediaMonks Hong Kong Ltd	11/F, Unit B, Winbase Centre, 208 Queen's Road Central Sheung Wang, Hong Kong	Hong Kong	100	Holding company
MediaMonks Inc.	800 North State Street, Suite 304, Dover, Kent County, Delaware, 19901	United States of America	100	Content
MediaMonks Information Technology (Shanghai) Co. Ltd.	Room 436, No. 1256, 1258 Wanrong Road, Jing'an District, Shanghai, 200040, China	P.R. China	100	Content
MediaMonks Kazakhstan LLP	6 Sary-Arka Avenue, premises 1, Sary-Arka district, Astana, 010000	Republic of Kazakhstan	100	Content
MediaMonks London Ltd	Media.Monks, Bonhill Building, 15 Bonhill Street, London, England, EC2A 4DN	United Kingdom	100	Content
MediaMonks Madrid S.L.U	C/ Garcia Paredes No. 17, Interior Madrid 28010, Madrid	Spain	100	Content
MediaMonks Malaysia Sdn. Bhd.	No. 256B, Jalan Bandar 12, Taman Melawati, Wilayah Persekutuan, Kuala Lumpur, 53100	Malaysia	100	Content
MediaMonks Mexico City S. de R.L. de C.V.	Amsterdam 271 Int 203, Colonia Hipodromo, Delegación Cuauhtemoc, CP 06100 CDMX	Mexico	100	Content
MediaMonks Milan S.R.L.	Milano (mi), Viale Papiniano 44, 20123, Italy	Italy	100	Content

Notes to the consolidated financial statements continued

28. Interest in other entities continued

Name of entity	Address of the registered office	Place of business/ Country of incorporation	Ownership interest %	Principal activity
MediaMonks Multimedia Holding B.V.	Oude Amersfoortseweg 125, 1212 AA Hilversum	The Netherlands	100	Holding company
MediaMonks Poland Spółka Z Ograniczoną Odpowiedzialnością	ul. SZCZYTNICKA, nr 11, lok. miejsc. WROCŁAW, kod 50–382, poczta WROCŁAW	Poland	100	Content
MediaMonks São Paulo Serviços de Internet para Publicidade Ltda.	Rua Girassol, 106, 2o andar, Vila Madalena, São Paulo, SP, CEP: 05433-000.	Brazil	100	Content
MediaMonks Seoul LLC	3F, Heung Guk BLDG, 166, Toegye-ro, Jung-gu, Seoul, 04627	Republic of Korea	100	Content
MediaMonks Services B.V.	Oude Amersfoortseweg 125, 1212 AA Hilversum	The Netherlands	100	Content
MediaMonks Singapore Pte. Ltd.	9 Raffles Place #26–01, Republic Plaza, Singapore 048619	Singapore	100	Content
MediaMonks Stockholm AB	Norrlandsgatan 18, 11143 Stockholm	Sweden	100	Content
MediaMonksTokyo G.K.	1-6-5 Jinnan, Shibuya Ku, Tokyo 150-0041	Japan	100	Content
MediaMonks Toronto Ulc	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8	Canada	100	Content
Metric Theory LLC	850 New Burton Road, Suite 201, Dover, Delaware 19904	United States of America	100	Data&Digital Media
MightyHive AB	Norrlandsgatan 18, 111 43 Stockholm	Sweden	100	Data&Digital Media
MightyHive AU Pty Ltd	HWL Ebsworth Lawyers, Level 14, Australia Square, 264–278 George Street, Sydney Cove NSW 2000	Australia	100	Data&Digital Media
MightyHive Brazil Consulting Ltda.	Rua Girassol, 106, 1 andar, Vila Madalena, São Paulo, SP, CEP: 05433-000	Brazil	100	Data&Digital Media
MightyHive Germany GmbH	Münchner Freiheit 2, 80802 München	Germany	100	Data&Digital Media
MightyHive Holdings Ltd	Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8.	Canada	100	Data&Digital Media
MightyHive Hong Kong Limited	47/F Central Plaza, 18 Harbour Road, Wanchhai, Hong Kong	Hong Kong	100	Data&Digital Media
MightyHive Inc	850 New Burton Road, Suite 201, Dover, Delaware 19904	United States of America	100	Data&Digital Media
MightyHive India Private Ltd	Office No.5, 1st Floor, Harismruti CHSL, Opp. HDFC Bank, S.V.P Road, Borivali (West), Mumbai, Maharashtra, India: 400092	India	100	Data&Digital Media
MightyHive Information Technology (Shanghai) Co. Ltd	Room 07–130, Floor 08, No. 3, Lane 26, Qixia Road, China (Shanghai) Pilot Free Trade, Zone (actual floor, 7th floor)	P. R. China	100	Data&Digital Media
MightyHive K.K.	6-12-18, Jingumae, Shibuya ku Tokyo, 150-0001, Japan	Japan	100	Data&Digital Media
MightyHive Korea Co. Ltd	3F 166 Toegye-ro, Jung-gu, Seoul, 04627	Republic of Korea	100	Data&Digital Media
MightyHive Ltd	The Pinnacle, 160 Midsummer Boulevard, Milton Keynes MK 9 1FF	United Kingdom	100	Data&Digital Media
MightyHive NZ Limited	William Buck (NZ) Ltd, Level 4, Zurich House, 21 Queen Street, Auckland, 1010	New Zealand	100	Data&Digital Media
MightyHive SG Pte Ltd	50 Raffles Place, #29-01 Singapore Land Tower, Singapore 048623	Singapore	100	Data&Digital Media
MightyHive S.r.l.	Milano (MI) ViaLe Abruzzi 94 CAP 20131	Italy	100	Data&Digital Media
MIGHTYHIVE SAS	43–47 Avenue De La Grande Armee, 75116, Paris, France	France	100	Data&Digital Media

Notes to the consolidated financial statements continued

28. Interest in other entities continued

Name of entity	Address of the registered office	Place of business/ Country of incorporation	Ownership interest %	Principal activity
M-Monks Digital Media Pvt. Ltd.	Flat No. 402, Paras Pearl, No. 161, Greenglen Layout, Sarjapur Outer Ring Rd, Bellandur, Bangalore: 560037, Karnataka	India	100	Content
Monks Marketing (Thailand) Co., Ltd	Unit 3001-3014, 30th Floor, 689 Bhiraj Tower at EmQuartier, Soi 35, Sukhumvit Road, Klongtan Nuea Sub-district, Bangkok, Wattana District, 10110, Thailand	Thailand	100	Content
Progmedia Argentina SAS	Ortiz de Ocampo 3302 Building 1, 1st floor Office No. 7, City of Buenos Aires	Argentina	100	Data&Digital Media
Proof LLC	21550 Oxnard St, 3rd Floor, #11 Woodland Hills, CA 91367	United States of America	100	Technology Services
PT Media Monks Indonesia	Equity Tower Building 35–37th floor, JL. JEND. SUDIRMAN, KAV 52–53, Desa/Kelurahan Senayan, Kec. Kebayoran Baru, Kota Adm. Jakarta Selatan, Provinsi DKI Jakarta, Kode Pos: 12190	Indonesia	100	Content
Raccoon Publicidade Ltda.	Rua Dona Alexandrina, No. 1366, Vila Monteiro, Gleba I, São Carlos, SP, CEP: 13.560-290	Brazil	100	Data&Digital Media
Rocky Publicidade Ltda.	Av. Irene da Silva Venâncio, 199, GP 03A, Bairro Protestantes, Votorantim, SP, CEP: 18111-100	Brazil	100	Data&Digital Media
Technical Performance Services LLC	21550 Oxnard St, 3rd Floor, #11 Woodland Hills, CA 91367	United States of America	100	Technology Services
XX Artists LLC	12130 Millennium Dr., Suite 300, Los angeles, CA 90045	United States of America	100	Content
Zemoga SaS	Calle 95 15-09 Piso 4 y 5, Bogotá, D.C. Codigo postal: 110221	Colombia	100	Technology Services

Joint Ventures

Name of entity	Address of the registered office	Place of business/ Country of incorporation	Ownership interest %	Principle activity
S4S Ventures General Partner S.À R.L.	412F, Route d'Esch L-1471, Luxembourg	Luxembourg	50	Holding company
S4S Ventures General Partner LLC	251 Little Falls Drive, Wilmington, DE 19808	United States of America	50	Holding company

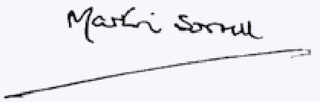
Company balance sheet

At 31 December 2024

	Notes	2024 £m	2023 £m
Assets			
Fixed assets			
Investment in subsidiary	1	597.3	1,112.2
Right-of-use assets	2	0.3	–
		597.6	**1,112.2**
Current assets			
Trade and other receivables	3	3.3	9.3
Cash and cash equivalents	4	0.1	0.2
		3.4	**9.5**
Total assets		601.0	**1,121.7**
Liabilities			
Non-current liabilities			
Lease liabilities	2	(0.2)	–
		(0.2)	**–**
Current liabilities			
Lease liabilities	2	(0.1)	–
Trade and other payables	5	(20.2)	(17.0)
		(20.3)	**(17.0)**
Total liabilities		(20.5)	**(17.0)**
Net assets		580.5	**1,104.7**
Equity			
Share capital	6	154.9	145.9
Reserves	6	425.6	958.8
Total equity		580.5	**1,104.7**

The Company reported a net loss for the financial year ended 31 December 2024 of £529.0 million (2023: £2.9 million loss). The accompanying notes on pages 160 to 163 form an integral part of the financial statements.

The financial statements on pages 158 to 163 were approved by the Board of Directors on 23 March 2025 and signed on its behalf by



Sir Martin Sorrell
Executive Chairman

Mary Basterfield
Group Chief Financial Officer

Company's registered number: 10476913

Company statement of changes in equity

For the year ended 31 December 2024

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total equity £m
Balance at 1 January 2023	**142.0**	**5.9**	**170.3**	**716.4**	**1,034.6**
Loss for the year	–	–	–	(2.9)	(2.9)
Total comprehensive loss	**–**	**–**	**–**	**(2.9)**	**(2.9)**
Transactions with owners of the Company					
Business combinations	3.9	74.5	(15.7)	–	62.7
Employee share schemes	–	–	0.6	9.7	10.3
Balance at 31 December 2023	**145.9**	**80.4**	**155.2**	**723.2**	**1,104.7**
Loss for the year	–	–	–	(529.0)	(529.0)
Total comprehensive loss	–	–	–	(529.0)	(529.0)
Transactions with owners of the Company					
Business combinations	9.0	84.5	(94.9)	1.8	0.4
Employee share schemes	–	–	0.9	6.0	6.9
Treasury shares	–	–	(2.5)	–	(2.5)
Balance at 31 December 2024	154.9	164.9	58.7	202.0	580.5

The accompanying notes on pages 160 to 163 form an integral part of the Company financial statements.

Notes to the Company financial statements

A. General

The Company financial statements are part of the 2024 financial statements of S4Capital plc. S4Capital plc is a public Company, listed on the London Stock Exchange and has its registered office at 12 St James's Place, London, SW1A 1NX, United Kingdom. The new UK Listing Rules, which came into force on 29 July 2024, have removed the distinction between standard and premium listing categories, which are now categorised as equity shares commercial companies (ESCC). As at the date of approval of the consolidated financial statements, S4Capital plc is in the equity shares (transition) category. S4Capital plc (the Company) is a holding company for investments active in the digital advertising, marketing and technology services space.

B. Basis of preparation

The Parent Company balance sheet and related notes have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Statement of cash flows and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of Key Management Personnel.

As the Group consolidated financial statements (presented on pages 114 to 157) include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 'Share-based Payments' in respect of Group settled share-based payments certain disclosures required by IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instrument Disclosures'.
- No individual profit or loss account is prepared as provided by Section 408 of the Companies Act 2006.

C. UK-adopted international accounting standards

The consolidated financial statements of S4Capital plc have 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.

D. New and amended standards and interpretations adopted by the Company

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Further detail can be found in the Group accounts on page 121. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

E. New and amended standards and interpretations not yet adopted

Certain new and amended accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Company. None of these are expected to have a material impact on the Company in the current or future reporting periods.

F. Basis of accounting

The Company financial statements are prepared under the historical cost convention and on a going concern basis, in accordance with the Companies Act 2006. The following paragraphs describe the main accounting policies, which have been applied consistently.

The ability of the Company to continue as a going concern is contingent on the ongoing viability of the Group. The Group meets its day-to-day working capital requirements through its bank facilities. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. Having assessed the principal risks and the other matters discussed in connection with the viability statement, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements.

Estimates and judgements

The preparation of the Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and judgements that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those judgements and estimates. The judgements and estimates that have

Notes to the Company financial statements continued

F. Basis of accounting continued

a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed overleaf.

Judgements

Impairment of investment in subsidiary

The Company applies judgement in determining whether the carrying value of the Company's investment in subsidiary have any indication of impairment at each reporting period. Both external and internal factors are monitored for indicators of impairment. When performing the impairment review, management's approach is to determine whether the recoverable amount exceeded the carrying amount of the investment in subsidiary.

Estimates

Impairment of investment in subsidiary

The carrying value of the Company's investment in subsidiary have been disclosed in Note 1 and is assessed for indicators of impairment at each reporting period. In testing for impairment, management determines whether recoverable amount exceeds the cost of investment recognised. The recoverable amount is assessed on a value in use basis. The value in use is calculated using a discounted cash flow methodology using financial information related to the subsidiaries including projected cash flows in conjunction with the goodwill impairment analysis performed by the Group, as disclosed in Note 10 of the consolidated financial statements. The Group's value in use calculated for the goodwill impairment has been adjusted downwards for the contractual cash flows relating to debt to arrive at the investment in subsidiary's value in use. These cashflows are then discounted at the Group cost of equity discount rate.

Foreign currencies

Profit or loss account items in foreign currencies are translated into GBP at average rates for the relevant accounting periods. Monetary assets and liabilities are translated at exchange rates prevailing at the date of the Company balance sheet. Exchange gains and losses on loans and on short-term foreign currency borrowings and deposits are included within net finance cost. Exchange differences on all other foreign currency transactions are recognised in operating profit.

Taxation

The current tax payable is based on taxable profit for the year. Taxable profit differs from reported profit because taxable profit excludes items that are either never taxable or tax deductible or items that are taxable or tax deductible in a different period. The Company's current tax assets and liabilities are calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the asset can be utilised. This requires judgements to be made in respect of the availability of future taxable income.

No deferred tax asset or liability is recognised in respect of temporary differences associated with investments in subsidiaries and branches where the Company is able to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

The Company's deferred tax assets and liabilities are calculated using tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates that have been enacted or substantively enacted by the reporting date.

Accruals for tax contingencies require management to make judgements of potential exposures in relation to tax audit issues. Tax benefits are not recognised unless the tax positions will probably be accepted by the authorities. This is based upon management's interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable result.

Accruals for tax contingencies are measured using either the most likely amount or the expected value amount depending on which method the Company expect to better predict the resolution of the uncertainty.

Investments

Fixed asset investments, including investments in subsidiaries, are stated at cost and reviewed for impairment if there are indications that the carrying value may not be recoverable.

Share-based payments

The issuance by the Company to employees of its subsidiaries of a grant of awards over the Company's shares, represents additional capital contributions by the Company to its subsidiaries. An additional investment in subsidiaries results in a corresponding increase in shareholders' equity. The additional capital contribution is based on the fair value of the grant issued, allocated over the underlying grant's vesting period, less the market cost of shares charged to subsidiaries in settlement of such share awards.

Notes to the Company financial statements continued

F. Basis of accounting continued

Litigation

Through the normal course of business, the Group is involved in legal disputes the settlement of which may involve cost to the Company. Provision is made where an adverse outcome is probable and associated costs can be estimated reliably. In other cases, appropriate descriptions are included.

Dividends

Up to the date of approval of these financial statements no dividends were paid by S4Capital plc to its shareowners (2023: £nil).

Employees

The Company had no employees during either year. Details of Directors' emoluments, which were paid by other Group companies, are set out in the Directors' Remuneration Report on pages 91 to 92.

1. Investment in subsidiary

Investment in subsidiary is stated at cost less, where appropriate, provisions for impairment.

	2024 £m	2023 £m
Balance at the beginning of the year	1,112.2	**1,039.5**
Capital contributions	0.9	62.4
Impairment of investment	(522.7)	–
Share-based payments	6.9	10.3
Balance at the end of the year	597.3	**1,112.2**

The Company directly holds 100% ownership in S4Capital 2 Limited. The Company indirectly holds effectively 100% of Ordinary Shares of the subsidiaries disclosed in Note 28 of the consolidated financial statements. The investment in subsidiary is assessed to determine if there is any indication that the investment might be impaired.

The Group has performed its annual goodwill impairment test, as disclosed in Note 10, which resulted in an impairment. As a result, management performed an impairment test to determine whether the recoverable amount of the Company exceeded the cost of investment recognised. This resulted in an impairment of £522.7 million (2023: £nil) in the investment held by the Company as at 30 September 2024.

The recoverable amount was assessed on a value-in-use basis. The value-in-use is calculated using a discounted cash flow methodology using financial information related to the subsidiaries including projected cash flows in conjunction with the goodwill impairment analysis performed by the Group, as disclosed in Note 10 of the consolidated financial statements. The value of the investment in subsidiary of the Company of £1,118.3 million was lower than the combined carrying amount of the CGU's tested for impairment in Note 10. The Group's value-in-use calculated for the goodwill impairment has been adjusted downwards for the contractual cash flows relating to debt to arrive at the investment in subsidiary's value in use and using the Group's discount rate. The resultant value-in-use is below the carrying value of the investment in subsidiary, resulting in impairment.

The following is a sensitivity analysis for impairment losses recognised in the Company's investment in subsidiary, in the case of changes in the key assumptions. The consequential impacts of the changes in net revenue growth and EBITDA margins on cash flow assumptions including working capital movements and tax charges have been incorporated into the sensitivity analyses set out below, but all other variables are held constant.

	Net revenue growth 20% movement[1] £m	EBITDA margin 100bps movement[2] £m
Net impairment movement under sensitivity	35.3	53.7

Notes:

1. A 20% movement has been applied to net revenue growth rate in each year of the explicit forecast period, with the long-term growth rate unchanged.
2. A 100 basis point movement in EBITDA margin has been applied in each year of the forecast period, including in the terminal period.

2. Leases

Right-of-use assets	2024 £m	2023 £m
Balance at 1 January	–	**–**
Additions	0.4	–
Depreciation of right-of-use assets	(0.1)	–
Balance at 31 December	0.3	**–**

Lease liabilities	2024 £m	2023 £m
Balance at 1 January	–	**–**
Additions	(0.4)	–
Payment of lease liabilities	0.1	–
Balance at 31 December	(0.3)	**–**

	2024 £m	2023 £m
Non-current lease liabilities	(0.2)	–
Current lease liabilities	(0.1)	–
Balance at 31 December	(0.3)	**–**

Notes to the Company financial statements continued

3. Trade and other receivables

	2024 £m	2023 £m
Value added tax	0.2	0.7
Corporate tax	–	4.4
Amounts owed by subsidiaries	2.1	3.0
Other receivables and prepayments	1.0	1.2
Total	3.3	**9.3**

The loss allowance for receivables from subsidiaries is based on the three-stage impairment expected credit loss model. No material impairment arose.

4. Cash and cash equivalents

	2024 £m	2023 £m
Cash and cash equivalents	0.1	0.2
Total	0.1	0.2

5. Trade and other payables

	2024 £m	2023 £m
Trade payables	(0.1)	(1.3)
Other payables and accruals	(2.4)	(3.0)
Value added taxes	–	–
Amounts owed to subsidiaries	(17.7)	(12.7)
Total	(20.2)	**(17.0)**

6. Equity

A. Share capital

The authorised share capital of S4Capital plc contain an unlimited number of Ordinary Shares having a nominal value of £0.25 per Ordinary Share. At the end of the reporting period, the issued and paid-up share capital of the Company consisted of 619,636,656 (2023: 583,064,256) Ordinary Shares having a nominal value of £0.25 per Ordinary Share.

B. Reserves

The following describes the nature and purpose of each reserve within equity:

Share premium	Amount subscribed for share capital in excess of nominal value. The share premium is net of costs directly relating to the issuance of shares.
Merger reserves	Amount subscribed for share capital in excess of nominal value as required by merger relief.
Other reserves	Shares issued in the name of the Company to an employee benefit trust and shares issued in the name of S4Capital Group for deferred consideration.
Retained earnings	Retained earnings represents the net profit/(loss) for the year and all other net gains and losses and transactions with shareowners (example dividends) not recognised elsewhere.

7. Related party transactions

Details of compensation for key management personnel are disclosed on page 152.

During the year the Group invested in Hoorah Digital Proprietary Limited, a South African, minority-owned, digital media business. See Note 14 of the consolidated financial statements.

The Company did not have any other related party transactions during the financial year (2023: £nil).

8. Events occurring after the reporting period

Details of events occurring after the reporting period are disclosed in Note 27 of the consolidated financial statements.

Appendix: Alternative Performance Measures

The Group has included various unaudited alternative performance measures (APMs) in its Annual Report and Accounts. The Group includes these non-GAAP measures as it considers these measures to be both useful and necessary to the readers of the Annual Report and Accounts to help them more fully understand the performance and position of the Group. The Group's measures may not be calculated in the same way as similarly titled measures reported by other companies. The APMs should not be viewed in isolation and should be considered as additional supplementary information to the IFRS measures. Full reconciliations have been provided between the APMs and their closest IFRS measures.

The Group has concluded that these APMs are relevant as they represent how the Board assesses the performance of the Group and they are also closely aligned with how shareowners value the business. They provide like-for-like, year-on-year comparisons and are closely correlated with the cash inflows from operations and working capital position of the Group. They are used by the Group for internal performance analysis and the presentation of these measures facilitates comparison with other industry peers as they adjust for non-recurring factors which may materially affect IFRS measures. Adjusting items for the Group include amortisation of acquired intangibles, acquisition related expenses, share-based payments, employment-related acquisition costs and restructuring costs. Whilst adjusted measures exclude amortisation of intangibles, acquisition costs and restructuring costs they do include the revenue from acquisitions and the benefits of the restructuring programmes and therefore should not be considered a complete picture of the Group's financial performance, that is provided by the IFRS measures.

The adjusted measures are also used in the calculation of the adjusted earnings per share and banking covenants as per our agreements with our lenders.

APM	Closest IFRS measure	Adjustments to reconcile to IFRS measure	Reason for use
Consolidated statement of profit or loss			
Controlled billings	Revenue	Includes media spend contracted directly by clients with media providers and pass-through costs (see reconciliation A1 on page 165)	It is an important measure to help understand the scale of the activities that the Group has managed on behalf of its clients, in addition to the activities that are directly invoiced by the Group.
Billings	Revenue	Includes pass through costs (see reconciliation A1 on page 165)	It is an important measure to understand the activities that are directly invoiced by the Group to its clients.
Net revenue	Revenue	Excludes direct costs (see reconciliation A2 on page 165)	This is more closely aligned to the fees the Group earns for its services provided to the clients. This is a key metric used in business when looking at the Practice performance.
Operational EBITDA	Operating profit	Excludes acquisition related expenses, non-recurring items (primarily acquisition payments tied to continued employment, amortisation of business combination intangible assets and restructuring and other one-off expenses) and recurring share-based payments, and includes right-of-use asset depreciation (see reconciliation A3 on page 165)	Operational EBITDA is operating profit before the impact of adjusting items, amortisation of intangible assets and PPE depreciation. The Group considers this to be an important measure of Group performance and is consistent with how the Group is assessed by the Board and investment community.
Like-for-like	Revenue and operating profit	Is the prior year comparative, in this case 2023, restated to include acquired businesses for the same months as 2024, and restated using same FX rates as used in 2024 (see reconciliations A4 on page 166)	Like-for-like is an important measure used by the Board and investors when looking at Group performance. It provides a comparison that reflects the impact of acquisitions and changes in FX rates during the period.
Pro-forma	Revenue and operating profit	Is full year consolidated results in constant currency and for acquisitions as if the Group had existed in full for the year (see reconciliations A5 on page 166)	Pro-forma figures are used extensively by management and the investment community. It is a useful measure when looking at how the Group has changed in light of the number of acquisitions that have been completed and to understand the performance of the Group.
Adjusted basic earnings	Basic earnings per share	Excludes amortisation of intangible assets, acquisition related costs, share-based payments and restructuring and other one-off expenses (see reconciliation A6 on page 167)	Adjusted basic earnings per share is used by management to understand the earnings per share of the Group after removing non-recurring items and those linked to combinations.

Appendix: Alternative Performance Measures continued

APM	Closest IFRS measure	Adjustments to reconcile to IFRS measure	Reason for use
Consolidated statement of profit or loss continued			
Adjusted profit for the year	(Loss)/profit for the year	Excludes amortisation of intangible assets, acquisition related expenses, share-based payments and restructuring and other one-off expenses (see reconciliation A6 on page 167)	Adjusted profit for the year is used by management to understand the profit for the Group after removing non-recurring items and those linked to combinations.
Consolidated balance sheet			
Net debt	Cash and loans and borrowings	Net debt is cash less gross bank loans (excluding transaction costs and lease liabilities). This is a measure used by management and in calculations for bank covenants (see reconciliation A7 on page 168)	Net debt is a commonly used metric to identify the debt obligations of the Group after utilising cash in bank.
Consolidated statement of cash flows			
Free cash flow	Net cash inflow/(outflow) from operating activities	Cash flow from operating activities adjusted for purchase of intangibles and property, plant and equipment, lease liabilities, interest and facility fees paid, security deposits and employment linked contingent consideration paid (see reconciliation A8 on page 168)	Free cash flow is a commonly used metric used to identify the amount of cash at the disposal of the Group.

Billings and controlled billings (A1)	2024 £m	2023 £m
Revenue	848.2	**1,011.5**
Pass-through expenses	1,114.8	859.0
Billings[1]	1,963.0	**1,870.5**
Third party billings direct to clients	3,254.6	3,152.3
Controlled billings[2]	5,217.6	**5,022.8**

Notes:
1. Billings are gross billings to clients including pass-through expenses.
2. Controlled billings are billings we influenced.

Net revenue (A2)	2024 £m	2023 £m
Revenue	848.2	**1,011.5**
Direct costs	(93.6)	(138.3)
Net revenue	754.6	**873.2**

Reconciliation to operational EBITDA (A3)	2024 £m	2023 £m
Operating (loss)/profit	(302.8)	**20.2**
Amortisation of intangible assets	44.3	48.6
Impairment of intangible assets	301.2	–
Acquisition expenses	(1.3)	(9.2)
Share-based payments	6.5	10.1
Restructuring and other one-off expenses[1]	30.4	11.8
Depreciation of property, plant and equipment[2]	9.5	12.2
Operational EBITDA	87.8	**93.7**

Notes:
1. Restructuring and other one-off expenses relate to restructuring costs of £18.8 million (2023: £18.2 million), transformation costs of £4.2 million (2023: £2.9 million), impairment of right-of-use assets of £5.3 million (2023: £nil), onerous lease provisions of £2.1 million (2023: £nil), offset by £nil due to the significant devaluation of the Argentinian Peso (2023: £9.3 million).
2. Depreciation of property, plant and equipment is exclusive of depreciation on right-of-use assets and includes £nil (2023: £0.5 million expense) relating to the significant devaluation of Argentinian Peso.

Appendix: Alternative Performance Measures continued

Like-for-Like (A4)

Like-for-like revenue Year ended 31 December 2023	Content £m	Data&Digital Media £m	Technology Services £m	Total £m
Revenue	**664.1**	**210.4**	**137.0**	**1,011.5**
Impact of acquisitions	–	–	1.1	1.1
Impact of foreign exchange	(19.5)	(7.7)	(3.9)	(31.1)
Like-for-like revenue[1]	**644.6**	**202.7**	**134.2**	**981.5**
% like-for-like revenue change	(12.1%)	(3.8%)	(35.5%)	(13.6%)

Note:
1. Like-for-like is a non-GAAP measure and relates to 2023 being restated to show the audited numbers for the previous year of the existing and acquired businesses consolidated for the same months as in 2024, applying currency rates as used in 2024.

Like-for-like net revenue Year ended 31 December 2023	Content £m	Data&Digital Media £m	Technology Services £m	Total £m
Net revenue	**528.9**	**207.3**	**137.0**	**873.2**
Impact of acquisitions	–	–	1.1	1.1
Impact of foreign exchange	(15.3)	(7.6)	(4.0)	(26.9)
Like-for-like net revenue[1]	**513.6**	**199.7**	**134.1**	**847.4**
% like-for-like net revenue change	(7.4%)	(3.7%)	(35.3%)	(11.0%)

Note:
1. Like-for-like is a non-GAAP measure and relates to 2023 being restated to show the audited numbers for the previous year of the existing and acquired businesses consolidated for the same months as in 2024, applying currency rates as used in 2024.

Like-for-like operational EBITDA Year ended 31 December 2023	Total £m
Operational EBITDA	**93.7**
Impact of acquisitions	(0.2)
Impact of foreign exchange	(5.2)
Like-for-like operational EBITDA[1]	**88.3**
% like-for-like operational EBITDA change	(0.6%)

Note:
1. Like-for-like is a non-GAAP measure and relates to 2023 being restated to show the audited numbers for the previous year of the existing and acquired businesses consolidated for the same months as in 2024, applying currency rates as used in 2024.

Pro-forma (A5)

Pro-forma revenue	Content £m	Data&Digital Media £m	Technology Services £m	Total £m
FY24 revenue	566.7	195.0	86.5	848.2
Impact of acquisitions	–	–	–	–
FY24 pro-forma revenue[1]	566.7	195.0	86.5	848.2
FY23 revenue	664.1	210.4	137.0	1,011.5
Impact of acquisitions	–	–	1.1	1.1
Impact of foreign exchange	(19.5)	(7.7)	(3.9)	(31.1)
FY23 pro-forma revenue[1]	**644.6**	**202.7**	**134.2**	**981.5**
% pro-forma revenue change	(12.1%)	(3.8%)	(35.5%)	(13.6%)

Note:
1. Pro-forma relates to audited 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.

Appendix: Alternative Performance Measures continued

Pro-forma (A5) continued

Pro-forma net revenue	Content £m	Data&Digital Media £m	Technology Services £m	Total £m
FY24 net revenue	475.5	192.4	86.7	754.6
Impact of acquisitions	–	–	–	–
FY24 pro-forma net revenue[1]	475.5	192.4	86.7	754.6
FY23 net revenue	528.9	207.3	137.0	873.2
Impact of acquisitions	–	–	1.1	1.1
Impact of foreign exchange	(15.3)	(7.6)	(4.0)	(26.9)
FY23 pro-forma net revenue[1]	513.6	199.7	134.1	847.4
% pro-forma net revenue change	(7.4%)	(3.7%)	(35.3%)	(11.0%)

Note:
1. Pro-forma relates to audited 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.

Pro-forma operational EBITDA	Total £m
FY24 operational EBITDA	87.8
Impact of acquisitions	–
FY24 pro-forma operational EBITDA[1]	87.8
FY23 operational EBITDA	93.7
Impact of acquisitions	(0.2)
Impact of foreign exchange	(5.2)
FY23 pro-forma operational EBITDA[1]	88.3
% pro-forma Operational EBITDA change	(0.6%)

Note:
1. Pro-forma relates to audited 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.

Adjusted basic earnings per share (A6)

Year ending 31 December 2024	Reported £m	Amortisation[1] £m	Impairment of intangibles £m	Acquisition expenses[2] £m	Share-based payments £m	Restructuring and other one-off expenses[3] £m	Adjusted £m
Operating (loss)/profit	(302.8)	44.3	301.2	(1.3)	6.5	30.4	78.3
Net finance expenses	(26.4)	–	–	–	–	–	(26.4)
Loss on the net monetary position	(1.7)	–	–	–	–	–	(1.7)
(Loss)/profit before income tax	(330.9)	44.3	301.2	(1.3)	6.5	30.4	50.2
Income tax credit/(expense)	24.0	(12.0)	(20.8)	–	(0.8)	(5.9)	(15.5)
(Loss)/profit for the year	(306.9)	32.3	280.4	(1.3)	5.7	24.5	34.7

Notes:
1. Amortisation relates to the intangible assets recognised as a result of the acquisitions (see Note 6).
2. Acquisition expenses relate to acquisition related advisory fees of £1.0 million, contingent consideration as remuneration of £0.7 million and remeasurement gain on contingent considerations of £3.0 million.
3. Restructuring and other one-off expenses relate to restructuring costs of £18.8 million, transformation costs of £4.2 million, impairment of right-of-use assets of £5.3 million, onerous lease provisions of £2.1 million, offset by £nil due to the significant devaluation of the Argentinian Peso.

Appendix: Alternative Performance Measures continued

Adjusted basic earnings per share (A6) continued

Year ending 31 December 2023	Reported £m	Amortisation and impairment[1] £m	Acquisition expenses[2] £m	Share-based payments £m	Restructuring and other one-off expenses[3] £m	Adjusted £m
Operating profit	**20.2**	**48.6**	**(9.2)**	**10.1**	**12.3**	**82.0**
Net finance expenses	(35.4)	–	–	–	1.5	(33.9)
Gain/(loss) on net monetary position	1.3	–	–	–	(1.3)	–
(Loss)/profit before income tax	**(13.9)**	**48.6**	**(9.2)**	**10.1**	**12.5**	**48.1**
Income tax expense[4]	(0.4)	(14.7)	–	(0.7)	(4.1)	(19.9)
(Loss)/profit for the year[4]	**(14.3)**	**33.9**	**(9.2)**	**9.4**	**8.4**	**28.2**

Notes:
1. Amortisation and impairment relates to the intangible assets recognised as a result of the acquisitions (see Note 6).
2. Acquisition expenses relate to acquisition related advisory fees of £2.3 million, contingent consideration as remuneration of £13.2 million and remeasurement gain on contingent considerations of £24.7 million.
3. Restructuring and other one-off expenses relate to restructuring costs of £18.2 million, transformation costs of £2.9 million, offset by £8.8 million due to the significant devaluation of the Argentinian Peso.
4. The comparatives for the year ended 31 December 2023 have been restated to account for the recognition of deferred tax balances related to certain business combinations in the prior years (see Note 2).

Adjusted basic result per share	2024	2023[1]
Adjusted profit attributable to owners of the Company (£m)	34.7	28.2
Weighted average number of Ordinary Shares for the purpose of basic EPS (shares)	671,956,509	639,218,703
Adjusted basic earnings per share (pence)	5.2	4.4

Note:
1. The comparatives for the year ended 31 December 2023 have been restated to account for the recognition of deferred tax balances related to certain business combinations in the prior years (see Note 2).

Net debt (A7)

Net debt	2024 £m	2023 £m
Cash and bank	168.4	145.7
Loans and borrowings	(311.3)	(326.5)
Net debt	**(142.9)**	**(180.8)**
Lease liabilities	(42.5)	(49.0)
Net debt including lease liabilities	**(185.4)**	**(229.8)**

Free cash flow (A8)

Free cash flow	2024 £m	2023 £m
Net cash inflow/(outflow) from operating activities	**84.1**	**(10.7)**
Employment linked contingent consideration paid	2.9	77.7
Interest and facility fees paid	(29.1)	(26.7)
Interest received	2.1	–
Purchase of intangible assets	(4.2)	(2.1)
Purchase of property, plant and equipment	(4.0)	(5.9)
Security deposits	0.5	(2.2)
Principal element of lease payments	(12.7)	(16.3)
Other non-cash items	(1.8)	–
Free cash flow	**37.8**	**13.8**

Shareowner information

Advisers and registrars

Principal bankers	HSBC Bank Plc
Joint brokers	Dowgate Capital Limited Morgan Stanley & Co Jefferies International Limited
Independent auditors	PricewaterhouseCoopers LLP
Solicitor	Travers Smith LLP
Communications adviser	Sodali & Co
Registrars	Share Registrars Limited 3 The Millennium Centre Crosby Way Farnham Surrey GU9 7XX 01252 821390 enquiries@shareregistrars.uk.com
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MIX Paper | Supporting responsible forestry FSC® C022913

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