



RNS Number : 8816Y
S4 Capital PLC
14 September 2020

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S4 Capital plc ("S⁴Capital" or the "Company")

Issue of Shares

On 21 June 2019, S⁴Capital plc (SFOR.L) announced a merger with BizTech (the "**Transaction**"). Pursuant to the terms of the Transaction, the Sellers agreed to invest certain moneys payable to them into the Company and the Company agreed to issue, 20,808 ordinary shares of 25 pence each in the capital of the Company, credited as fully paid, as initial consideration. The Sellers also elected to allocate 178,461 of their deferred consideration shares, to certain material employees (together, the "**Consideration Shares**"). The Consideration Shares will be subject to a restriction on sale for two years.

Applications have been made to the FCA and to the London Stock Exchange for the Consideration Shares to be admitted to the standard segment of the Official List of the FCA and to trading on the London Stock Exchange's Main Market for listed securities respectively ("**Admission**"). It is expected that Admission will become effective at 8.00 a.m. on 15 September 2020.

S⁴Capital plc

Sir Martin Sorrell, Executive Chairman

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Elly Williamson

Jessica Hodgson

About S⁴Capital

S⁴Capital plc (SFOR.L) is the tech-led, new age, new era digital advertising and marketing services company, established by Sir Martin Sorrell in May 2018.

Its strategy is to build a purely digital advertising and marketing services business for global, multinational, regional, local clients and millennial-driven influencer brands. This will be achieved initially by integrating leading businesses in two practice areas: Data & digital media and Content, along with an emphasis on "faster, better, cheaper" executions in an always-on consumer-led environment, with a unitary structure.

Digital is by far the fastest-growing segment of the advertising market.

S⁴Capital estimates that in 2019 digital accounted for approximately 47.5% or \$275 billion of total global advertising spend of \$550-600 billion (excluding about \$400 billion of trade support, the primary target of the Amazon advertising platform), and projects that by 2022 this share will grow to approximately 55-60%. It is anticipated that in 2020, total global advertising spend will shrink to approximately \$500-550 billion, driven by a fall in traditional media advertising expenditure. However digital advertising spend is expected to remain constant or increase slightly and therefore improve its market share of total advertising spend to over 50% for the first time.

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

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

In May 2020, MightyHive announced a combination with Digodat, one of the leading Latin American data consultancies, and in June 2020, MightyHive announced its combination with Lens10, a leading Australian digital strategy and analytics consultancy. In July 2020, MightyHive announced a combination with Orca Pacific, a market leading full-service Amazon agency and boutique consultancy firm based in Seattle. In August 2020, MightyHive announced a combination with London-based Brightblue, an econometric and media optimisation consultancy. In September 2020, MediaMonks entered into exclusivity in relation to a merger with Dare.Win, an award-winning Paris-based digital creative agency.

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

Victor, Wesley, Pete, Christopher and Peter Rademaker (formerly Chief Financial Officer of MediaMonks, now Chief Financial Officer of S⁴Capital), all

joined the S⁴Capital Board as Directors. The S⁴Capital Board also includes Rupert Faure Walker, Paul Roy, Daniel Pinto, Sue Prevezer, Elizabeth Buchanan, Scott Spirit, Naoko Okumoto, Margaret Ma Connolly and Miles Young.

The Company has approximately 2,750 people in 30 countries across the Americas, Europe, the Middle East and Africa and Asia-Pacific and a current market capitalisation of approximately £2 billion (c.\$2.6 billion), and would rank well into the FTSE 250. It has achieved Unicorn status in a little over one year, unique in the advertising and marketing services industry.

Sir Martin was CEO of WPP for 33 years, building it from a £1 million "shell" company in 1985 into the world's largest advertising and marketing services company with a market capitalisation of over £16 billion on the day he left. Today its market capitalisation is less than £8 billion. Prior to that Sir Martin was Group Financial Director of Saatchi & Saatchi Company Plc for nine years.

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