

30 May 2018

**DERRISTON CAPITAL PLC**  
**("Derriston" or the "Company")**

**Proposed Acquisition of S<sup>4</sup> Capital, Sir Martin Sorrell's investment vehicle**

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The Board of Derriston has reached agreement on the terms of a transaction to acquire S<sup>4</sup> Capital Limited ("**S<sup>4</sup> Capital**"), a newly incorporated company that has recently completed a £51 million equity fundraising.

The transaction with S<sup>4</sup> Capital constitutes a reverse takeover under the Listing Rules and as a result the Company has requested a suspension of listing of its shares.

**Highlights:**

Derriston announces proposals for:

- The conditional acquisition of S<sup>4</sup> Capital, a newly incorporated company which has recently completed a £51 million equity fund raise, of which Sir Martin Sorrell contributed £40 million with the balance of the funds coming from institutional and other investors.
- S<sup>4</sup> Capital has received substantial non-binding letters of support from a number of its institutional investors indicating that they would, in principle, be willing to provide over £150 million of further equity funding to support S<sup>4</sup> Capital's acquisition plans.
- The appointment of Sir Martin Sorrell (as Executive Chairman) and Paul Roy and Rupert Faure Walker as non-executive Directors on Completion (subject, in the case of Paul Roy, to his receiving required consents).
- A new corporate strategy to build a multi-national communication services business, initially by acquisitions.
- The acquisition of S<sup>4</sup> Capital will result in the issue of 591,967,000 New Ordinary Shares.
- Changing the name of the Company to S<sup>4</sup> Capital plc.

Sir Martin Sorrell, Executive Chairman of S<sup>4</sup> Capital, said: "*S<sup>4</sup> Capital is a company that aims to build a multi-national communication services business focused on growth. There are significant opportunities for development in technology, data and content. I look forward to making this happen.*"

This announcement contains inside information.

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## **Disclaimer**

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This announcement may contain "forward-looking statements". All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the Company's and S<sup>4</sup> Capital's financial position, strategy, plans, targets, proposed acquisitions and objectives are forward-looking statements. Forward-looking statements are subject to risks and uncertainties and, accordingly, the Company's and/or S<sup>4</sup> Capital's actual future financial results and operational performance may differ materially from results and performance expressed in, or implied by, these statements. These factors include but are not limited to those described in the Prospectus to be issued by the Company in due course.

The information given in this announcement and the forward-looking statements speak only as at the date of this announcement. The Company, S<sup>4</sup> Capital Limited, Dowgate Capital Stockbrokers Limited and their respective affiliates expressly disclaim any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by the Financial Services and Markets Act 2000, the Listing Rules, the Prospectus Rules or other applicable laws, regulations or rules.

The Existing Ordinary Shares and the New Ordinary Shares to be issued by Derriston have not, nor will they be, registered under the US Securities Act of 1933, as amended (the "**US Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Australia, Canada, Japan or the Republic of South Africa. The Existing Ordinary Shares and the New Ordinary Shares to be issued by Derriston may not be offered or sold directly or indirectly in or into the United States unless registered under the US Securities Act or offered in a transaction exempt from or not subject to the registration requirements of the US Securities Act or subject to certain exceptions, into Australia, Canada, Japan or the Republic of South Africa or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada, Japan or the Republic of South Africa. The Company has not been, and will not be, registered under the US Investment Company Act of 1940, as amended. The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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The boards of Derriston Capital plc and of S<sup>4</sup> Capital Limited, who have separately appointed Dowgate Capital Stockbrokers Limited, are both aware of and accept Dowgate Capital Stockbrokers Limited's role as broker to each such company in connection with the proposals set out in this Announcement.

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Derriston Capital plc

Proposed acquisition of S<sup>4</sup> Capital Limited, adoption of new corporate strategy, appointment of new Directors, change of name and General Meeting.

## INTRODUCTION

The Board of Derriston has reached agreement on the terms of a transaction to acquire S<sup>4</sup> Capital Limited subject to the satisfaction of certain conditions. S<sup>4</sup> Capital is a newly incorporated company whose Executive Chairman and controlling shareholder is Sir Martin Sorrell. Sir Martin was previously Chief Executive of WPP plc, the longest-serving director of a FTSE 100 company. Sir Martin acquired a significant stake in WPP in 1985 when its market capitalisation was approximately £1 million; WPP now has a market capitalisation of in excess of £16 billion.

The transaction with S<sup>4</sup> Capital constitutes a reverse takeover under the Listing Rules and as a result the Company has requested a suspension of listing of its shares.

S<sup>4</sup> Capital has recently completed an equity issue that raised £51 million in cash for the purposes of funding acquisitions in the communication services sector. It is proposed that upon completion of the S<sup>4</sup> Acquisition ("**Completion**"), Derriston will:

- change its name to S<sup>4</sup> Capital plc;
- appoint Sir Martin Sorrell, Paul Roy and Rupert Faure Walker in place of the current board of Directors (subject, in the case of Paul Roy, to his receiving required consents); and
- adopt a new strategy to build a multi-national communication services business, initially by acquisitions.

The S<sup>4</sup> Acquisition will be funded by the issue of 591,967,000 New Ordinary Shares to shareholders of S<sup>4</sup> Capital and the issue of the Derriston B Share to Sir Martin Sorrell.

Completion of the S<sup>4</sup> Acquisition is conditional, *inter alia*, upon:

- the publication of a Prospectus relating to the issue of the New Ordinary Shares;
- the passing of the resolutions at a general meeting of the Company to approve:
  - changes to the Company's Articles of Association to create a new class of share for the purposes of issuing one "B" ordinary share to Sir Martin Sorrell on Completion) (the "**Derriston B Share**");
  - the necessary authorities for the Directors to allot New Ordinary Shares to acquire S<sup>4</sup> Capital, and more generally to issue Ordinary Shares for cash in order to fund acquisitions;
  - the necessary authorities for the Directors to allot Ordinary Shares for cash other than on a pre-emptive basis;
  - the change of the Company's name to S<sup>4</sup> Capital plc; and
  - the Whitewash Resolution; and
- Admission.

The Company and S<sup>4</sup> Capital have agreed that they will seek to combine the publication of the Prospectus and Admission with, if possible, the acquisition of a business. In the event of an acquisition or a further equity issue, if Admission had already occurred, the Company would be required to publish a second prospectus. A circular together with a notice convening the General Meeting to approve the Resolutions will be posted to Shareholders in due course.

Following Completion, Sir Martin Sorrell could own over 30 per cent. of the Enlarged Share Capital of the Company. Accordingly, and as a result of the rights of the Derriston B Share (as set out more fully below), the S<sup>4</sup> Acquisition is also conditional upon the passing of the Whitewash Resolution at the General Meeting. The proposed Whitewash Resolution is also conditional on the Takeover Panel consenting to the whitewash and their approval of the circular to shareholders convening the General Meeting.

Sir Martin would also, through his holding of the Derriston B Share have the right to:

- appoint one Director of Derriston from time to time and remove or replace such Director from time to time;
- ensure no executives are appointed or removed without his consent;
- ensure no shareholder 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, (together, the "B Share Rights").

It is proposed that Sir Martin Sorrell will enter into a relationship agreement with the Company on terms to be agreed.

#### **BACKGROUND TO AND REASONS FOR THE TRANSACTION**

The Company was formed with the objective of creating significant value for Shareholders through an acquisition-led growth strategy. At the time of the Company's admission to trading on the Official List on 29 December 2016, the Directors stated the Company's intention was to make acquisitions within the global medical technology industry with an initial focus on acquiring businesses operating in the medical products and devices sector. Following the announcement on 31 August 2017, the Company subsequently expanded its scope of investment criteria to include the wider technology sector.

The opportunity to work with Sir Martin Sorrell arose in May 2018. The Directors consider that the new strategy to build a multi-national business in the communication services sector, initially by acquisitions, under the leadership of Sir Martin provides an accelerated route to grow the Company.

Sir Martin Sorrell was previously Chief Executive of WPP plc, the longest-serving director of a FTSE 100 company. Sir Martin acquired a significant stake in WPP in 1985 when its market capitalisation was approximately £1 million; WPP now has a market capitalisation of in excess of £16 billion.

Sir Martin Sorrell formed S<sup>4</sup> Capital in May 2018 and has personally invested £39.9 million in S<sup>4</sup> Capital by subscribing for the S<sup>4</sup> Founder Ordinary Shares at £1 per S<sup>4</sup> Founder Ordinary Share and has raised a further £11 million from institutional and other investors at the same price. Sir Martin has also invested £100,000 in A2 Incentive Shares.

The Directors of the Company understand that S<sup>4</sup> Capital is at present in preliminary discussions regarding a select number of potential acquisitions that would fit with the strategy of building a multi-national communication services business. S<sup>4</sup> Capital intends to target businesses focused on technology, data and content.

#### **INFORMATION ON S<sup>4</sup> CAPITAL**

S<sup>4</sup> Capital was incorporated in Jersey on 22 May 2018 and has three classes of shares currently in issue:

- 11,000,000 S<sup>4</sup> Investor Ordinary Shares which have been subscribed for by investors at £1 per Investor Ordinary Share;
- 39,900,000 S<sup>4</sup> Founder Ordinary Shares have been subscribed for by Sir Martin Sorrell at £1 per S<sup>4</sup> Founder Ordinary Share; and

- 4,000 A2 Incentive Shares have been subscribed for by Sir Martin Sorrell at a price of £25 per A2 Incentive Share.

In addition, S<sup>4</sup> Capital has authority to allot up to 4,000 A1 Incentive Shares which are reserved for future executives of the Group.

S<sup>4</sup> Founder Ordinary Shares carry the same economic rights as the S<sup>4</sup> Investor Ordinary Shares, but in addition, the S<sup>4</sup> Founder Ordinary Shares carry (collectively) the same control rights as the Derriston B Share but in respect of S<sup>4</sup> Capital.

The terms for the acquisition of the S<sup>4</sup> Investor Ordinary Shares and the S<sup>4</sup> Founder Ordinary Shares are set out below in the paragraph headed "The terms of the S<sup>4</sup> Acquisition".

As explained above, S<sup>4</sup> Capital has recently raised £51 million in cash for the purposes of funding acquisitions. Sir Martin Sorrell has provided £40 million of this funding and a mixture of UK institutional investors and other investors have agreed to subscribe for £11 million of Investor Ordinary Shares. A number of S<sup>4</sup> Capital's institutional investors have also signed non-binding letters of support addressed to S<sup>4</sup> Capital indicating that they would, in principle, be willing to provide over £150 million of further equity funding to support S<sup>4</sup> Capital's acquisition plans.

Apart from the subscription of shares referred to above S<sup>4</sup> Capital has not as yet traded.

Sir Martin Sorrell is at present the sole director of S<sup>4</sup> Capital but it is intended that Paul Roy and Rupert Faure Walker will be appointed non executive directors of S<sup>4</sup> Capital prior to 30 June 2018 (subject, in the case of Paul Roy, to his receiving required consents).

#### **CHANGES TO THE BOARD**

At Completion, the Directors of the Company (Harry Hyman, Roger Sargent and James Serjeant) will resign and the Proposed Directors, Sir Martin Sorrell, Paul Roy and Rupert Faure Walker will be appointed (subject, in the case of Paul Roy, to his receiving required consents).

Sir Martin Sorrell (age 73) was from 1986 until April 2018 the chief executive of WPP plc. He was a non executive director of Arconic Inc. until 10 March 2017 and Delta Topco until 31 January 2017.

Paul Roy (age 71) has over 40 years' experience in the banking, brokerage and asset management industries. In 2003, he co-founded NewSmith Capital Partners LLP, an independent investment management company which was acquired by Man Group in 2015. Prior to founding NewSmith, he was Co-President of the Global Markets and Investment Banking division at Merrill Lynch & Co and had responsibility for worldwide Investment Banking, Debt and Equity Markets. Paul joined Merrill Lynch in 1995 when it acquired Smith New Court Plc a leading market making and brokerage firm on the London Stock Exchange where he was Chief Executive Officer. Between 2007 and 2013, Paul served as Chairman of the British Horseracing Authority responsible for governance and regulation of the sport and is now Chairman of Retraining of Racehorses, racing's main equine charity. In 2015, he became Chairman of Sky Bet after CVC acquired a majority stake in the company from SKY PLC. He has been Chairman of NewRiver REIT plc since 2009.

Rupert Faure Walker (age 70) 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 advising major corporate clients on mergers, acquisitions, IPOs and capital raising, 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.

## THE TERMS OF THE S<sup>4</sup> ACQUISITION

Pursuant to the Acquisition Agreement the Company has conditionally agreed to acquire all of the S<sup>4</sup> Investor Ordinary Shares and the S<sup>4</sup> Founder Ordinary Shares.

The consideration for the S<sup>4</sup> Investor Ordinary Shares will be the issue of 11.63 New Ordinary Shares for each S<sup>4</sup> Investor Ordinary Share.

The consideration for the acquisition of the S<sup>4</sup> Founder Ordinary Shares will be the issue to Sir Martin Sorrell of (i) 11.63 New Ordinary Shares for each S<sup>4</sup> Founder Ordinary Share and (ii) the Derriston B Share having the same rights as those carried by the S<sup>4</sup> Founder Ordinary Shares collectively in respect of the Company. The Derriston B Share may not be transferred to any other person. The Derriston B Share will lose the B Share Rights set out above: (i) in any event after 14 years (or, if earlier, the date on which Sir Martin retires or dies); or (ii) if Sir Martin sells any of the Consideration Shares (other than in order to pay tax arising in connection with his holding of such Consideration Shares) that he receives on Completion.

The 591,967,000 New Ordinary Shares to be issued pursuant to the S<sup>4</sup> Acquisition will be credited as fully paid and rank *pari passu* in all respects with the Existing Ordinary Shares in issue including the right to receive all future dividends or other distributions declared, made or paid after the date of issue.

The Company may consider consolidating its share capital as part of the S<sup>4</sup> Acquisition. In the event that it does so, the number of New Ordinary Shares to be issued pursuant to the S<sup>4</sup> Acquisition will be adjusted accordingly.

The A2 Incentive Shares will not be acquired as part of the S<sup>4</sup> Acquisition. As is more fully explained in the paragraph entitled "Management Incentive Arrangements" below, these shares (together with the A1 Incentive Shares which have not yet been issued) entitle the holders to part of the future growth in value of S<sup>4</sup> Capital.

Completion of the S<sup>4</sup> Acquisition is conditional upon:

- publication of a prospectus following approval of the Prospectus by the UKLA;
- the agreement of the Takeover Panel to the Whitewash Resolution;
- the passing of the Acquisition Resolutions to be proposed at the General Meeting;
- the Acquisition Agreement not being terminated for breach of warranty by S<sup>4</sup> Capital or the Company; and
- Admission.

The Company and S<sup>4</sup> Capital have agreed that they will seek to combine the publication of the Prospectus and Admission with, if possible, the acquisition of a business. In the event of an acquisition or a further equity issue, if Admission had already occurred, the Company would be required to publish a second prospectus.

In the event that the Acquisition has not completed on or before 31 December 2018, or such later date as the Company, Sir Martin Sorrell and holders of a majority of the S<sup>4</sup> Investor Ordinary Shares agree (the "**Long Stop Date**"), the Acquisition Agreement will be terminated and S<sup>4</sup> Capital will return remaining funds to its shareholders.

## TAKEOVER PANEL

The Company is subject to the City Code. Under Rule 9 of the City Code, any person who acquires an interest (as defined in the City Code) in shares which, taken together with shares in which he is already interested in and which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

At Completion (if no further issue of New Ordinary Shares takes place prior to Admission), Sir Martin Sorrell would own 464,037,000 New Ordinary Shares representing 75.21 per cent. of the Enlarged Share Capital.

Completion of the Acquisition is conditional, *inter alia*, on the Takeover Panel agreeing to grant a waiver of Sir Martin's obligation under Rule 9 of the City Code to make a mandatory offer for the Company. The Takeover Panel's agreement to grant a waiver under Rule 9 of the City Code will be subject to the approval, by means of a poll vote, of the Whitewash Resolution.

#### MANAGEMENT INCENTIVE ARRANGEMENTS

S<sup>4</sup> Capital has an incentive arrangement for Sir Martin Sorrell and for other executives that it or its subsidiaries may hire in the future.

The incentive arrangement has been implemented by the creation of the A1 Incentive Shares and the A2 Incentive Shares. The Incentive Shares provide a financial reward to executives of S<sup>4</sup> Capital or its subsidiaries for delivering Shareholder value, conditional on achieving a preferred rate of return.

The Incentive Shares entitle the holders, subject to certain vesting criteria and leaver provisions, to up to 15 per cent. of the growth in value of S<sup>4</sup> Capital provided that the Company or its shareholders receives a 6 per cent. preferred return. The Company will not acquire the Incentive Shares pursuant to the S<sup>4</sup> Acquisition and so they will remain to incentivise Sir Martin Sorrell or future executives to whom they are issued or sold.

Provided that the preferred return has been achieved, the Incentive Shares entitle the holders to their return upon a sale or merger of S<sup>4</sup> Capital, its liquidation, the takeover or merger of the Company or, if none of those events has occurred prior to the fifth anniversary of the Target Acquisition, if Sir Martin Sorrell serves notice on the Company requiring it to acquire all of the Incentive Shares eligible for sale on or before the seventh anniversary of the Target Acquisition. If Sir Martin serves such a notice, the growth in value of S<sup>4</sup> Capital is measured against the market capitalisation of the Company based on an average of the mid-market closing price of its 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.

The consideration payable if the Incentive Shares are triggered is, save on a takeover, liquidation or merger of S<sup>4</sup> Capital, satisfied by the issue of Ordinary Shares at their market price on the trading day prior to their trigger.

#### SHAREHOLDINGS

Following Completion (assuming no further issue of New Ordinary Shares takes place prior to Admission) the shareholdings of the Existing Directors and the Proposed Directors are expected to be as follows:

Existing Directors	Ordinary Shares		Ordinary Shares	
	Prior to Completion	% of issued share capital	Post Completion	% of Enlarged Share Capital
Harry Hyman <sup>†</sup>	1,062,500	4.25%	2,341,800	0.38%
Rodger Sargent	1,450,000	5.80%	1,450,000	0.24%
James Serjeant*	1,262,500	5.05%	2,134,750	0.35%
Proposed Directors	Ordinary Shares		Ordinary Shares	
	Prior to Completion	% of issued share capital	Post Completion	% of Enlarged Share Capital
Sir Martin Sorrell	0	0.00%	464,037,000	75.21%
Paul Roy	0	0.00%	8,722,500	1.41%
Rupert Faure Walker	0	0.00%	8,722,500	1.41%

‡ Harry Hyman has also subscribed for 110,000 S<sup>4</sup> Investor Ordinary Shares in his own name which will become 1,279,300 Ordinary Shares on Completion.

\* James Serjeant is also a director and a shareholder of 3B Capital Limited (which is the holding company of Dowgate Capital Stockbrokers) and a director of Dowgate Capital Stockbrokers Limited. Dowgate Capital Stockbrokers Limited is, in addition to broker to the Company, acting as placing agent, adviser and broker for S<sup>4</sup> Capital Limited. James Serjeant is the legal and beneficial owner of 200,000 ordinary shares in the Company. 3B Capital Limited is the legal and beneficial owner of 1,062,500 ordinary shares in the Company. In addition, James Serjeant has also subscribed for 75,000 S<sup>4</sup> Investor Ordinary Shares in his own name which will become 872,250 Ordinary Shares on Completion.

Sir Martin Sorrell will also own the Derriston B Share following Completion.

Sir Martin Sorrell, Paul Roy and Rupert Faure Walker have each undertaken not to dispose of any of the New Ordinary Shares that they will receive on Completion for periods of 24 months (in the case of Sir Martin) and 12 months (in the case of the other Proposed Directors) following Admission.

Assuming no further issue of Ordinary Shares takes place prior to Admission, Sir Martin Sorrell, Paul Roy and Rupert Faure Walker have all undertaken to use reasonable endeavours to take, and to consent to the Company and S<sup>4</sup> Capital taking, such actions are required to ensure that the Company is eligible for listing and complies with the Listing Rules at Admission.

Assuming no further issue of New Ordinary Shares takes place prior to Admission, it is not expected that any other Shareholder will have an interest exceeding 3 per cent. of the Enlarged Share Capital.

The Company currently has 25,000,000 Ordinary Shares in issue and will issue 591,967,000 New Ordinary Shares to acquire S<sup>4</sup> Capital. At Completion (assuming no further issue of New Ordinary Shares takes place prior to Admission) the Company will have 616,967,000 Ordinary Shares in issue.

As at 29 May 2018, the Company and S<sup>4</sup> Capital had combined net assets of approximately £52 million, taking into account only transaction costs incurred to date.

#### **CHANGE OF NAME**

Conditional on the passing of the Resolutions, the Company will change its name to S<sup>4</sup> Capital plc and S<sup>4</sup> Capital Limited will change its name to S<sup>4</sup> Capital 2 Limited.

#### **DIVIDEND POLICY**

The Company intends to channel its available cash resources into funding its expansion and therefore does not expect to declare or pay dividends in the foreseeable future.

#### **GENERAL MEETING**

The Acquisition requires the approval of the Shareholders at the General Meeting.

At the General Meeting resolutions to approve the following (the "**Acquisition Resolutions**") are expected to be proposed:

- to amend the Company's Articles of Association to create the Derriston B Share;
- to grant the Directors general authority to allot new Ordinary Shares calculated by reference to the Enlarged Share Capital and a further authority for the purposes of allotting the New Ordinary Shares required to complete the S<sup>4</sup> Acquisition and any Target Acquisition;
- to grant the Directors authority to allot further Ordinary Shares for cash other than on a pre-emptive basis;
- to grant the Directors the authority to allot New Ordinary Shares in order to satisfy the consideration which may be required to acquire the A1 Incentive Shares and the A2 Incentive Shares;
- the Whitewash Resolution; and

- to change the name of the Company to S<sup>4</sup> Capital plc.

Shareholders should note that if the Acquisition Resolutions are not passed, the S<sup>4</sup> Acquisition will not complete, in which event the Company will continue to pursue its strategy of identifying acquisition targets.

In addition, a further resolution will be proposed at the General Meeting to remove the Performance Condition attaching to the Founder Shares.

A notice convening the General Meeting to approve the Resolutions will be posted to Shareholders in due course.

#### Enquiries:

##### **Derriston Capital plc**

Harry Hyman (Non-executive chairman)

*Via Walbrook*

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#### DEFINITIONS

The definitions set out below apply throughout this announcement, including the summary, unless the context requires otherwise:

"A1 Incentive Shares"	the "A1" ordinary shares of £2.00 each in the capital of S <sup>4</sup> Capital;
"A2 Incentive Shares"	the "A2" ordinary shares of £2.00 each in the capital of S <sup>4</sup> Capital;
"Acquisition Agreement"	the conditional share purchase agreement between Derriston and the holders of the S <sup>4</sup> Founder Ordinary Shares and the S <sup>4</sup> Investor Ordinary Shares;
"Acquisition Resolutions"	the resolutions expected to be proposed at the General Meeting, the passing of each of which is a condition to Completion;
"Admission"	admission of the Consideration Shares to the standard segment of the Official List and to trading on the standard segment of the London Stock Exchange's Main Market becoming effective;
"Announcement"	this announcement;
"Articles of Association"	the Company's articles of association in force as at the date of this Announcement;
"B Share Rights"	the control rights of the Derriston B Share as set out in this Announcement;
"City Code"	the City Code on Takeovers and Mergers;

<b>"Completion"</b>	completion of the Acquisition Agreement;
<b>"Consideration Shares"</b>	the New Ordinary Shares and the Derriston B Share;
<b>"Derriston" or the "Company"</b>	Derriston Capital plc;
<b>"Derriston B Share"</b>	the "B" ordinary share in the capital of Derriston to be issued pursuant to the Acquisition Agreement;
<b>"Directors"</b>	the directors of the Company from time to time;
<b>"Enlarged Share Capital"</b>	the share capital of the Company after Admission, comprising the Existing Ordinary Shares and the Consideration Shares;
<b>"Existing Ordinary Shares"</b>	the 25,000,000 Ordinary Shares;
<b>"FCA"</b>	the Financial Conduct Authority;
<b>"Founder Shares"</b>	means the Ordinary Shares held by Rodger Sargent; Harry Hyman and 3B Capital Limited;
<b>"FSMA"</b>	the United Kingdom Financial Services and Markets Act 2000;
<b>"General Meeting"</b>	the general meeting of the Company at which, <i>inter alia</i> , the Acquisition Resolutions will be proposed;
<b>"Incentive Shares"</b>	the A1 Incentive Shares and the A2 Incentive Shares;
<b>"Listing Rules"</b>	the rules and regulations made by the Financial Conduct Authority in its capacity as the UKLA under the FSMA, and contained in the UKLA's publication of the same name;
<b>"Long Stop Date"</b>	31 December 2018 (or such later date as Sir Martin Sorrell and the Company may agree with the consent of the holders of over 50 per cent. of the S <sup>4</sup> Investor Ordinary Shares);
<b>"New Ordinary Shares"</b>	the 591,967,000 Ordinary Shares to be issued to the selling shareholders of S <sup>4</sup> Capital upon Completion;
<b>"Official List"</b>	the Official List of the FCA;
<b>"Ordinary Shares"</b>	the ordinary shares of 2.5 pence each in the capital of the Company;
<b>"Performance Condition"</b>	the performance condition to which the Founder Shares are subject as set out more fully in the Prospectus relating to Derriston dated 22 December 2016;
<b>"Proposed Directors"</b>	Sir Martin Sorrell, Rupert Faure Walker and Paul Roy;
<b>"Takeover Panel"</b>	the Panel on Takeovers and Mergers;

<b>"Prospectus"</b>	the prospectus relating to the issue of the Consideration Shares by Derriston as required by the FSMA and the Prospectus Rules issued by the FCA and made under Part VI of the FSMA;
<b>"Resolutions"</b>	the resolutions to be proposed at the General Meeting;
<b>"S<sup>4</sup> Acquisition"</b>	the acquisition by Derriston of the S <sup>4</sup> Founder Ordinary Shares and the S <sup>4</sup> Investor Ordinary Shares;
<b>"S<sup>4</sup> Capital"</b>	S <sup>4</sup> Capital Limited;
<b>"S<sup>4</sup> Founder Ordinary Shares"</b>	the "B" ordinary shares of £0.001 each in the capital of S <sup>4</sup> Capital;
<b>"S<sup>4</sup> Investor Ordinary Shares"</b>	the ordinary shares of £0.001 each in the capital of S <sup>4</sup> Capital;
<b>"Shareholders"</b>	the shareholders of the Company from time to time;
<b>"Target Acquisition"</b>	the first acquisition by S <sup>4</sup> Capital or its direct or indirect subsidiary of a trading business;
<b>"UKLA"</b>	the UK Listing Authority, being the FCA acting in its capacity as the competent authority for the purposes of Part VI of the FSMA; and
<b>"Whitewash Resolution"</b>	the ordinary resolution of the independent Shareholders to be taken on a poll to approve the waiver by the Panel of the obligation that would otherwise arise on certain shareholders of S <sup>4</sup> Capital to make a general offer under Rule 9 of the City Code to be proposed at the General Meeting.

Harry Hyman, Non-Executive Chairman  
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