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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

**4 December 2018**

**S<sup>4</sup> CAPITAL PLC  
("S<sup>4</sup> Capital" or the "Company")**

**Merger with MightyHive, Inc.**

**Firm Placing and Placing and Open Offer of 67,272,727 New Ordinary Shares  
and  
Notice of General Meeting**

S<sup>4</sup> Capital plc (SFOR.L), the new age/new era digital advertising and marketing services company, announces an important second strategic step, that it has reached agreement to merge with MightyHive, Inc., a market-leading programmatic solutions provider for future thinking marketers and agencies, for an enterprise value of US\$150 million.

The Company also announces the appointments of Victor Knaap, Wesley ter Haar and Peter Rademaker as directors of the Company with immediate effect, and the appointment of Peter Kim and Christopher Martin, the CEO and COO of MightyHive respectively, as directors of the Company conditionally on and with effect from Admission. Daniel Pinto, founder and CEO of Stanhope Capital, the global investment and advisory group, which is leading the capital raising, will also join the Board at that time.

**Merger highlights**

- Furthers S<sup>4</sup> Capital's strategy of aligning award-winning digital creative content, digital media planning and buying and first-party data capabilities.
- MightyHive has a strong growth record, with revenue increasing from 2015 to the year ended 31 December 2017 at a CAGR of approximately 129 per cent. and Adjusted EBITDA increasing at a CAGR of 196 per cent. in the same period.

- The MightyHive Merger is expected to be significantly accretive to earnings per share in the first full financial year following completion.
- Programmatic advertising spend is experiencing significant growth and MightyHive is well-positioned to capitalize on the digital transformation and disruption of marketing.
- MightyHive shareowners (management and people) will receive their consideration 50 per cent. in cash and 50 per cent. in New Ordinary Shares. New Ordinary Shares issued as consideration for the MightyHive Merger will be Restricted for a period of two years from Admission.
- MightyHive's third-party investors, which represent approximately 21 per cent. of the equity, will receive their consideration 100 per cent. in cash.
- S<sup>4</sup> Capital will establish an incentive scheme with an aggregate value of US\$5 million for MightyHive's people and it will pay US\$5 million in restricted cash bonuses to MightyHive's people following completion of the MightyHive Merger out of the existing cash resources of the Group.

S<sup>4</sup> Capital will fund the cash portion of the consideration through the issue of 67,272,727 New Ordinary Shares at a price of 110 pence per New Ordinary Share by way of a firm placing to raise £28.1 million and a placing and open offer to raise £45.9 million.

This new capital raising is led by the Stanhope Entrepreneurs Fund ("**Stanhope**"), a growth-capital fund managed by Stanhope Capital, the global investment and advisory group. Stanhope will be a long term strategic partner for S<sup>4</sup> Capital and Daniel Pinto, Stanhope Capital's founder and CEO, will join the Company's Board upon Admission.

Sir Martin Sorrell, Victor Knaap and Wesley ter Haar (in respect of their personal holding companies), Peter Rademaker, Daniel Pinto and the EBT have given irrevocable undertakings not to take up their respective Open Offer Entitlements which, in aggregate amount to 16,113,694 Open Offer Shares (the "**Available Shares**").

Pursuant to a placing letter between Dowgate (as agent of the Company) and Stanhope, Stanhope has agreed to subscribe 8,431,342 Firm Placed Shares, 16,113,694 Available Shares and 3,227,711 Placing Shares. The Available Shares allocated to Stanhope in connection with the Placing will not be subject to clawback in the Open Offer and will not be available to be taken up by other Placees in the Placing. Any Open Offer Shares not taken up in the Open Offer ("**Excess Shares**") will be available to be allocated at the discretion of HSBC and Dowgate to Stanhope and other Placees in the Placing. All the New Ordinary Shares subscribed by Stanhope in the Issue will be Restricted for two years from Admission.

HSBC and Dowgate have made arrangements to place the Firm Placing Shares with Stanhope and other Firm Placees, and to place the Placing Shares with Stanhope and other Placees.

Further information on the MightyHive Merger and the Issue is set out in the Prospectus which the Company expects to publish today.

The Shareowner authority required to issue New Ordinary Shares in connection with the MightyHive Merger will be sought from Shareowners at a General Meeting of the Company on 20 December 2018, notice of which is set out in the Circular that will be sent to Shareowners later today. Irrevocable undertakings to vote in favour of the resolutions to be proposed at the General Meeting have been received from 8 Shareowners representing 39.60 per cent. of the issued Ordinary Shares of the Company.

It is expected that Admission of the New Ordinary Shares and completion of the MightyHive Merger will take place on 24 December 2018.

Sir Martin Sorrell, Executive Chairman of the Group, commented:

*"The merger with MightyHive marks an important second strategic step for S<sup>4</sup> Capital. The peanut has now morphed into a coconut, and is growing and ripening. MediaMonks' award-winning digital creative production and MightyHive's market-leading programmatic offering will give S<sup>4</sup> Capital's clients end-to-end, fully integrated and seamless capabilities in purely digital marketing. Following both the MightyHive merger and the recent opening of the MediaMonks office in San Francisco, S<sup>4</sup> Capital's focus on the West Coast of the United States and the digital natives at companies like Apple, Microsoft, Google and Facebook, not forgetting the software giants Adobe, Salesforce and Oracle, will intensify.*

*"S<sup>4</sup> Capital intends to provide global, multi-national, regional, local clients and influencer-driven millennial brands with new age/new era digital marketing services concentrated in three key areas initially - the development of a global digital content platform; first-party data fuelling both digital media planning and creative ideas; and, finally, digital media buying. Clients of all kinds want these services delivered faster, better and cheaper, by more agile and responsive organisations, either in-house, co-located with them or alone. To this end, S<sup>4</sup> Capital will be organised primarily on a unitary basis, with key people continuing to be incentivised through significant, equity ownership in the enterprise as a whole. S<sup>4</sup> Capital believes that this strategy and structure will deliver significant long-term value for share owners, particularly through organic growth, supported by strategically-focussed acquisitions.*

*Stanhope Capital's strategic investment is an excellent validation of our long term strategy and we welcome the input of our new directors Victor, Wes, Pete, Chris, Peter and Daniel on the Board, to complement that of Paul, Rupert and Sue."*

#### **Timetable**

Record Date for entitlements under the Open Offer	3 December 2018
Announcement of the Issue and MightyHive Merger, expected publication of the Prospectus, dispatch of the Circular, Application Form and Form of Proxy	4 December 2018
Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareowners	5 December 2018

Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 13 December 2018
Recommended latest time for depositing Open Offer Entitlements into CREST	3.00 p.m. on 14 December 2018
Recommended latest time for splitting Open Offer Application Forms (to satisfy bona fide market claims only)	3.00 p.m. on 14 December 2018
Latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 18 December 2018
Latest time and date for receipt of Forms of Proxy and electronic proxy appointments via CREST	11.00 a.m. on 18 December 2018
Announcement of the results of the Open Offer	7.00 a.m. on 19 December 2018
Time and date of the General Meeting	11.00 a.m. on 20 December 2018
Results of General Meeting announced	20 December 2018
Admission and commencement of dealings in the New Ordinary Shares	8.00 a.m. on 24 December 2018
CREST stock accounts expected to be credited for the New Ordinary Shares	24 December 2018

- (a) Each of the times and dates in the table above is indicative only and may be subject to change.
- (b) References to times in this Announcement are to London time.
- (c) The times and dates set out in the table above and mentioned throughout this Announcement may be adjusted by the Company in consultation with HSBC and Dowgate, in which event details of the new times and dates will be notified to the FCA, the London Stock Exchange and, where appropriate, Shareowners.
- (d) Any Existing Ordinary Shares sold prior to the close of business on 3 December 2018, the date on which the Existing Ordinary Shares will trade with entitlement, will be sold to the purchaser with the right to receive entitlements under the Open Offer.

For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this Announcement is being made on behalf of the Company by Sir Martin Sorrell, Executive Chairman. In addition, market soundings (as defined in MAR) were taken in respect of the Issue with the result that certain persons became aware of inside information (as defined in MAR), as permitted by MAR. This inside information is set out in this Announcement. Therefore those persons

that received inside information in a market sounding are no longer in possession of such inside information relating to the Company and its securities.

This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "**Important Notices**" section below.

**S<sup>4</sup> Capital plc**

Sir Martin Sorrell (Executive Chairman)

*via Powerscourt*

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## FURTHER INFORMATION IN RELATION TO THE MIGHTYHIVE MERGER AND THE ISSUE

### 1. INTRODUCTION

S<sup>4</sup> Capital's strategy is to build a purely digital multi-national advertising and marketing services business, initially by acquisitions. On 9 July 2018, the Company completed its merger with the MediaMonks Group, an international creative content and production business that primarily develops digital content and internal digital channels across several business segments for brands and advertising agencies.

The opportunity has now arisen for the Company to merge with MightyHive, Inc. ("**MightyHive**"), a programmatic solutions provider for forward-thinking marketers and agencies which offers services focusing on implementation and support, campaign management, and consulting. The Directors and the Proposed Directors believe that the addition of MightyHive to the Group will create a compelling combined offering in the programmatic and digital media planning and buying sectors.

#### *The MightyHive Merger*

On 3 December 2018, the Company and certain of its subsidiaries, including its indirect subsidiary, MergeCo, and MightyHive entered into a merger agreement (the "**Merger Agreement**") pursuant to which, conditional upon Admission occurring, MightyHive will merge with and into MergeCo with the effect that, following Admission, MightyHive will be a wholly-owned indirect subsidiary of the Company. The transaction values MightyHive at \$150 million on a debt-free cash-free basis and with normalised working capital, or at an enterprise value to LTM Adjusted EBITDA multiple of approximately 13.5x. The MightyHive Merger is expected to be significantly accretive to earnings per share in the first full financial year following completion.

In the 12 months to 31 October 2018, MightyHive's unaudited revenues were \$40.7 million (CAGR from the financial year ended 31 December 2015 to the twelve month period ended 31 October 2018: 114 per cent.) and its Adjusted EBITDA was \$11.1 million (CAGR from the financial year ended 31 December 2015 to the twelve month period ended 31 October 2018: 159 per cent.) (source: unaudited management accounts of the MightyHive Group).

The holders of the MightyHive Common Shares will, upon Admission, be allotted 37,068,087 New Ordinary Shares having an aggregate value of £40.77 million at the Issue Price. Valued at the Issue Price, such shares will represent 50 per cent. of the consideration due to the holders of MightyHive Common Shares under the Merger Agreement. Peter Kim holds a combination of MightyHive Common Shares and MightyHive Preferred Shares and has agreed to receive 50 per cent. of the aggregate consideration due to him in New Ordinary Shares and the balance in cash. The remaining consideration payable to the holders of MightyHive Common Shares (£39.62 million, or 50 per cent. in respect of holders other than Peter Kim) will be settled in cash upon Admission.

The holders of MightyHive Options will, upon Admission, be granted options over 8,984,159 Ordinary Shares of the Company having an aggregate value of £8.07 million at the Issue Price ("**Rollover Options**"). Valued at the Issue Price, such Rollover Options will represent (i) 50 per cent. of the consideration due to the holders of vested MightyHive Options and (ii) 100 per cent. of the consideration due to the holders of unvested MightyHive Options. The remaining consideration

payable to the holders of vested MightyHive Options (£2.98 million, or 50 per cent.) will be settled in cash following Admission. The Ordinary Shares that will be subject to the Rollover Options granted to the holders of MightyHive Options will, valued at the Issue Price, have an aggregate value of £9.88 million. The holders of unvested MightyHive Options will not receive any cash consideration.

Rollover Options will be granted on the same terms as the MightyHive Options in place of which they will be granted. Accordingly, the Rollover Options will have a strike price equivalent to that of the MightyHive Options which they replace, converted into a sterling value using the exchange rate as at close of business on the business day prior to signing of the Merger Agreement. Additionally, Rollover Options granted in respect of vested MightyHive Options will be exercisable immediately following grant, while Rollover Options granted in respect of unvested MightyHive Options will vest subject to the same conditions as such MightyHive Options.

The holders of MightyHive Preferred Shares will receive the consideration payable to them 100 per cent. in cash upon Admission.

Any adjustments to the consideration required to take account of the indebtedness and working capital position of MightyHive at completion will be reflected in the cash consideration only (and not in the consideration payable as equity in the Company).

As a condition to receiving their consideration pursuant to the Merger Agreement, the MightyHive Equityowners will (to the extent that they have not done so as at the date of this Circular) enter into lock-in arrangements in which they will undertake (subject to certain exceptions) that they will not sell the New Ordinary Shares they receive pursuant to the Consideration Issue or the Ordinary Shares they receive pursuant to the exercise of their Rollover Options for a period of 24 months following Admission.

Under the Merger Agreement, the Group has the benefit of certain representations and warranties relating to the MightyHive Group, its business and operations. Certain of these representations and warranties will, with effect from Admission, be supported by a warranty and indemnity insurance policy. In addition, \$1.5 million of the cash payable upon closing of the Merger Agreement will be paid into an escrow account, from which, subject to the applicable deductible, the Group will be able to recover general losses arising from a breach of warranty. In addition, a further \$2.7 million of the cash payable on closing of the Merger Agreement will be paid into an escrow account in respect of certain identified potential tax liabilities of the MightyHive Group. Under the Merger Agreement, the Group has also made certain warranties and representations as to its capacity and authority and as to the accuracy and completeness of the Prospectus. If such warranties and representations are breached, the Group has agreed to indemnify the selling securityowners of MightyHive for losses caused by such breach.

Key MightyHive executives will also enter into long-term employment arrangements in connection with the MightyHive Merger.

The Company has also agreed to pay \$5 million in restricted cash bonuses to the people of the MightyHive Group in connection with the MightyHive Merger. These restricted cash bonuses will be paid out of the cash resources of the Group following Admission.

Completion of the MightyHive Merger pursuant to the Merger Agreement is conditional upon, inter alia: the representations and warranties made by the parties remaining true and correct; key executives of MightyHive having entered into and not repudiated their service agreements, non-competition agreements and MightyHive Equityowner Lock-in Deeds; the Issue Resolution passing; and Admission occurring.

Pursuant to the Merger Agreement, the Company has also agreed to issue 3,561,431 New Ordinary Shares to the EBT at nominal value using a loan advanced to the EBT by the Company out of the Company's distributable reserves. The New Ordinary Shares issued pursuant to the EBT Subscription will be used to fund a \$5 million share option plan for the people of the MightyHive Group.

### ***The Issue***

In order to fund the cash component of the consideration payable in respect of the MightyHive Merger, the Company proposes to raise gross proceeds of £74.0 million (£70.6 million net of expenses) through the issue of 67,272,727 New Ordinary Shares by way of a Firm Placing and a Placing and Open Offer at the Issue Price of 110 pence per New Ordinary Share. The Issue Price represents a discount of 4 per cent. to the Closing Price of 114.5 pence per Existing Ordinary Share on 3 December 2018 (being the last business day prior to the announcement of the Issue).

### ***Shareowner approval***

The Issue requires Shareowner approval to grant the Directors authority to allot and issue the New Ordinary Shares and the Ordinary Shares that will be subject to the Rollover Options as if the applicable statutory pre-emption rights did not apply. Approval will be sought at a General Meeting convened for 11.00 a.m. on 20 December 2018, notice of which is expected to be sent to Shareowners in a Circular dated 4 December 2018 (the "**Circular**"). If the Issue Resolution is not passed at the General Meeting, the Issue will not proceed and the MightyHive Merger will not complete.

Irrevocable undertakings to vote in favour of the Resolutions have been received from 8 Shareholders (including all of the Directors and the Proposed Directors who are Shareowners) representing 39.60 per cent. of the issued Ordinary Shares of the Company.

## **2. STRATEGIC RATIONALE AND EXPECTED BENEFITS OF THE MIGHTYHIVE MERGER**

The Directors and the Proposed Directors believe that the MightyHive Merger will further the implementation of the Company's objective of creating a new age / new era, new media solution embracing data, content and technology in an always-on environment for global, multi-national, regional and local clients and for millennial-driven digital brands.

### ***Key industry trends and the opportunity***

The Directors and the Proposed Directors have identified a number of key trends in the marketing and communication services industry. These include:

### *Drive for increased efficiency and effectiveness*

Brands and marketers are focussed on efficiency in the delivery of marketing services. This encompasses both cost-effectiveness of premium creative content, technology solutions and consulting work, the speed with which they can be delivered and their responsiveness once employed. The Directors and the Proposed Directors also believe that brands and marketers want to do more with less and are increasingly emphasising return on investment (ROI - i.e. sales generated by advertising spend).

### *Shift to digital*

Digital advertising spend has grown rapidly since 2017 and is projected to continue this growth and represent a majority of global advertising spend by 2022.

### *Capability consolidation*

Marketing services are frequently procured on a fragmented basis, with specialist agencies and other service providers taking ownership of only a small part of the delivery of a brand's marketing messages. The Directors and the Proposed Directors believe that brands are increasingly emphasising the importance of an end-to-end delivery skill-set of the kind required to implement large scale and global digital transformation programmes and to take full ownership of the deployment of marketing messages.

### *De-coupling and in-housing*

Brands are increasingly considering moving away from traditional agency relationships and considering instead either in-housing capabilities or engaging with creative production and technology services companies directly. The Directors and the Proposed Directors believe the shift to decoupling and in-housing may be driven, in part, by a lack of transparency in the legacy agency model.

### ***Combination benefits***

In the context of the trends outlined above, the Directors and the Proposed Directors believe that the combination of the MediaMonks Group and the MightyHive Group presents a compelling opportunity to create a highly-differentiated service offering underpinned by full transparency and encompassing the full technology stack, in-housing, efficient premium creative production across all channels and consulting services.

The Directors and the Proposed Directors further believe that this combined offering would be a disruptive force in the marketing services industry, able to capitalise on the status quo evidenced by the shifts in brand and marketer approaches and priorities set out above. In addition, the Directors and the Proposed Directors believe that the combination of the MediaMonks Group and the MightyHive Group, each a fast growing business, will facilitate additional expansion.

### *Differentiated service offering*

Both MightyHive and MediaMonks are regarded as leaders in their respective fields: MediaMonks is one of the most awarded creative production companies in the world; MightyHive is Google's

largest Google Marketing Platform Partner, a leading Google Analytics Certified Partner and recognised as a leader in programmatic digital media buying. Driven by client requests, it is developing and pursuing partnerships with leading technology companies within the programmatic advertising industry, such as Facebook and Amazon.

While other media companies have bolted on content capabilities and agencies have added media capabilities, the Directors and the Proposed Directors believe that the combination of MediaMonks and MightyHive would be distinguished by the leading nature of both of its creative and media components.

The MightyHive Merger would therefore help create a differentiated market offer with a unified service suite including premium creative production, full technology stack expertise, in-housing know-how and consulting. This would represent end-to-end capability with efficiently produced marketing assets delivered by programmatic digital media buying and informed and refined by data.

The Directors and the Proposed Directors further believe that a differentiated service offering may also enable the MightyHive Group and the MediaMonks Group to distinguish itself from competitors offering commoditised services and therefore retain pricing power.

#### *Early-mover advantage and barriers to entry*

As noted above, the Directors and the Proposed Directors regard transparency issues as a key challenge for incumbents. By offering an integrated solution of uniformly high quality that is fully transparent, highly efficient and customer-focussed, the Directors and the Proposed Directors believe that the Group will be among the first credible alternatives to incumbents and therefore able to capture an early-mover advantage as brands restructure the way they procure marketing services.

Moreover, the Directors and the Proposed Directors believe that, while the combination of high-quality programmatic digital media buying and creative will be emulated, displacing client relationships formed by early-movers will be materially more challenging in future and therefore that the Group will benefit from material barriers to entry.

#### *Benefits of scale and expansion of global offering*

The Directors and the Proposed Directors believe that the increased scale of the Enlarged Group will increase the profile of both the MediaMonks Group and the MightyHive Group, as has already been shown since the Company's merger with the MediaMonks Group, improving talent acquisition and awareness among potential clients. MediaMonks has over 900 people, and MightyHive over 200, meaning that in combination they would have over 1,100 people across 15 locations.

Both the MediaMonks Group and the MightyHive Group have growth strategies which include geographic expansion. Where only one of the MediaMonks Group and the MightyHive Group has a presence (for example the MightyHive Group in Australia or the MediaMonks Group in Brazil), the expansion of the other into the same territory can be supported by the existing office. In cases where neither the MediaMonks Group nor the MightyHive Group has a current presence, the combination of the MediaMonks Group and the MightyHive Group will facilitate their combined expansion into new geographies by sharing overheads and office establishment costs.

### *Cross- and up-selling opportunities*

The MediaMonks Group and the MightyHive Group have complementary client portfolios and new business pipelines. The Directors and the Proposed Directors therefore believe that the combination of the MediaMonks Group and the MightyHive Group would deliver an opportunity to leverage existing and future relationships to cross- and up-sell to existing and future clients.

MediaMonks has over 300 current clients; MightyHive has over 700. Adjusting for the minimal number of overlapping clients, in combination, MediaMonks and MightyHive would have over 1,000 clients, offering significant scope for cross-selling between the two groups, as well as increased profile.

### *Costs synergies*

While the focus of the MediaMonks Group, the MightyHive Group and the Group as a whole is currently on revenue and Gross Margin growth, the Directors and the Proposed Directors believe that the combination will present a number of opportunities to realise efficiencies. Such efficiencies may include combining certain central services of the Group and opportunistically exploring real estate synergies in certain locations.

### ***Case studies of combined benefits - dynamic creative optimisation***

As outlined above, the Directors and the Proposed Directors believe that the service suites of MediaMonks and MightyHive are highly complementary and that there is a clear business rationale to present these to clients as an integrated offering. MediaMonks creates premium digital content, but clients need to know how best to deploy it. MightyHive teaches and helps clients how to deploy content and stories in a targeted way across digital media and plan their media buying in the most effective way. MightyHive's clients need more content which is digital focused and targeted. In combination, MediaMonks and MightyHive will provide both in order to deliver effective campaigns optimised for the digital ecosystem.

MightyHive empowers clients to use their first-party data to understand their audience and to segment it by interests and past behaviour, and then to act on that understanding by delivering the right advertisement at the right time.

In combination, therefore, MediaMonks and MightyHive would be able to offer clients premium creative production informed by first-party data and delivered by programmatic media buying and analysis. The Directors and the Proposed Directors consider that the Enlarged Group should provide a compelling service offering, enhancing the ability of MediaMonks and MightyHive to win new engagements, better service existing clients and capture a larger combined share of the digital marketing value chain.

### *MediaMonks and Netflix*

MediaMonks works with its long-standing client Netflix to promote their new series. To do so, MediaMonks created tailored dynamic scalable content based on personas derived from first party data, platforms and languages. MediaMonks constructed the content on the basis of 115 scenes, three storylines in 14 markets and delivered it in a six-segment structure for digital ads (intro,

segments 1-4 and outro). As a result of MediaMonks' dynamic content capabilities, Netflix has been able to achieve:

- creative display advertisements that effectively connect audience interests to Netflix titles;
- a global reduction in Netflix's costs (approximately 40 per cent.) and in advertising turnaround time (12 weeks reduced to 4 weeks); and
- increased interactions, display times and click-through-rates.

MightyHive's capabilities would add value to this offering for clients like Netflix by assisting them with the analysis of its first party data. This would enable the client to better understand how to target its audience more effectively, deploying the right content to the right people at the right time.

### *MightyHive and Sprint*

In 2017, Sprint and MightyHive began work on bringing Sprint's programmatic advertising in-house. Sprint needed a partner to advise on the optimal deployment of the organisation's ad-tech stack, transition media buying capabilities from its previous full-service agency, and train and hire marketing team members.

By employing MightyHive's highly differentiated approach based on ad-tech, data strategy, media strategy and training and hiring, Sprint achieved:

- a significant year-over-year reduction in cost-per-click and cost per acquisition as well as a material year-over-year increase in quality traffic;
- double-digit improvements in KPIs for search and programmatic campaigns; and
- business results which significantly contributed to approximately \$150 million in cost savings.

Rob Roy, Sprint's Chief Digital Officer told Campaign in an interview, "Quite honestly, moving in-house has blown away our expectations in terms of how much year-over-year improvement we've been able to see, both from a top-line and a bottom-line perspective."

MediaMonks' capabilities would add value to this offering by creating highly tailored and bespoke digital content to address different customers, which could then be delivered using the programmatic systems embedded by MightyHive.

### **3. REASONS FOR THE ISSUE AND USE OF PROCEEDS**

The net proceeds of the Issue (expected to be approximately £70.6 million) will be applied to the payment of the cash component of the consideration payable to the selling security owners of MightyHive and to meet the expenses arising in connection with the MightyHive Merger and Admission. Any surplus net proceeds of the Issue will be used for general corporate purposes and to further implement the Company's strategy.

#### **4. CURRENT TRADING AND PROSPECTS OF THE GROUP**

On 14 November 2018, the Company announced that the unaudited revenue of the Group for the quarter ended 30 September 2018 increased to €29.3 million (an increase of approximately 45 per cent. over the same quarter in 2017) and that unaudited Gross Margin had increased to €20.4 million (an increase of approximately 32 per cent. over the same quarter in 2017). Unaudited year to date revenue has also increased over 48 per cent. compared to the first nine months of 2017 to €83.4 million, with unaudited Gross Margin increasing approximately 40 per cent. to €59.7 million over the same period.

EBITDA for the quarter expressed as a percentage of Gross Margin was 20 per cent. (approximately the same as the same quarter in 2017), and up to 25 per cent. for the nine months to 30 September 2018 (a ten percentage point increase over the first nine months of 2017) (unaudited in each case).

Since 30 September 2018, the Company has, in accordance with its strategy been focussing on sourcing, evaluating and consummating the MightyHive Merger. The Company continues to review a number of other complementary opportunities to further expand the Group and deliver the Company's strategy of building a multi-national digital communication services business.

Since 30 September 2018, the business of the MediaMonks Group has continued to grow in comparison to the year ended 31 December 2017 with new client wins and greater revenues from existing clients. Accordingly, it has continued to perform in line with the expectations of its management and those of the Directors and the Proposed Directors.

Since 31 December 2017, the MightyHive Group has also continued its growth trajectory and is performing in line with the expectations of its management for the year to date. Further information on the trading performance of the MightyHive Group for since 2017 is set out in paragraph 1 above.

#### **5. STANHOPE STRATEGIC RELATIONSHIP**

Stanhope Capital LLP is an investment firm providing asset management and advisory services to private clients, institutions and charities globally. Stanhope Capital LLP's private investment team is active in private equity, real estate and private credit. Stanhope Capital LLP invests on behalf of its clients through in-house managed funds or by creating special purpose vehicles. Stanhope Capital LLP, acting in its capacity as investment manager of Stanhope, intends to support the Company through its growth by providing strategic investment and advice to the Company. Accordingly, from Admission, the founder and CEO of the Stanhope Group, Daniel Pinto, will join the board of the Company.

Stanhope will initiate its strategic investment in the Company through participation in the Issue. Stanhope has agreed to subscribe for 27,772,729 New Ordinary Shares with an aggregate value of £30.6 million, comprised of:

- 8,431,324 New Ordinary Shares pursuant to the Firm Placing;
- 16,113,694 New Ordinary Shares pursuant to the Placing. These New Ordinary Shares represent the Open Offer Entitlements that Sir Martin Sorrell, Peter Rademaker, Daniel Pinto, the EBT and Oro en Fools B.V. and Zen 2 B.V. (being the joint holding companies

under the control of Victor Knaap and Wesley ter Haar) have irrevocably undertaken not to take up (the "**Available Shares**"). Stanhope's subscription for the Available Shares will not be subject to clawback in order to satisfy valid applications of Qualifying Shareowners under the Open Offer; and

- 3,227,711 New Ordinary Shares pursuant to the Placing, which will be subject to clawback in order to satisfy valid applications of Qualifying Shareowners under the Open Offer.

Stanhope has, pursuant to a lock-in deed with the Company, HSBC and Dowgate dated 4 December 2018 (the "**Stanhope Lock-in Deed**") agreed for a 24 month period following Admission, subject to certain exceptions, not to offer, sell, contract to sell, grant options over or otherwise dispose of, directly or indirectly, the New Ordinary Shares it receives on Admission. Although there is no present intention or arrangement to do so, Stanhope may, following expiry of the 24 month lock-in period, sell its New Ordinary Shares without restriction.

Sir Martin Sorrell has been a member of Stanhope Capital LLP's Advisory Board since September 2011 but is not involved in its investment decision in relation to the Company.

## **6. PRINCIPAL TERMS OF THE ISSUE**

The Company proposes to raise gross proceeds of £74.0 million (£70.6 million net of expenses) through the issue of 67,272,727 New Ordinary Shares by way of a Firm Placing and a Placing and Open Offer at the Issue Price of 110 pence per New Ordinary Share. The Issue Price represents a discount of 4 per cent. to the Closing Price of 114.5 pence per Existing Ordinary Share on 3 December 2018 (being the last business day prior to the announcement of the Issue).

### ***Firm Placing***

Pursuant to the Placing Agreement, the Joint Bookrunners have severally agreed to use their respective reasonable endeavours to procure Firm Placees for 25,549,460 New Ordinary Shares at the Issue Price representing gross proceeds of £28.1 million. The Firm Placed Shares are not subject to clawback and are not part of the Placing and Open Offer.

The terms and conditions of the Firm Placing are set out in placing letters that have been sent to each Firm Placee.

### ***Placing and Open Offer***

The Open Offer Shares have been conditionally placed with institutional investors by the Joint Bookrunners, subject to clawback (save in relation to the Available Shares that will be allocated to Stanhope as described above) to satisfy valid applications by Qualifying Shareowners under the Open Offer.

The Open Offer Shares are being offered to Qualifying Shareowners by way of the Placing and Open Offer (representing gross proceeds of £45.9 million at the Issue Price). Excluded Overseas Shareowners will not be able to participate in the Open Offer. The Open Offer provides an opportunity for Qualifying Shareowners to participate in the fundraising (subject to compliance with

applicable securities laws) by subscribing for their Open Offer Entitlement. Qualifying Shareowners will have an Open Offer Entitlement of:

**1 Open Offer Share for every 6.123555 Existing Ordinary Shares**

registered in the name of the relevant Qualifying Shareowner on the Record Date and so in proportion to any other number of Existing Ordinary Shares held (that is, not including any allocations made in respect of the Firm Placing or the Placing).

Open Offer Entitlements will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will not be allocated but will be aggregated and made available in the Placing.

The Open Offer is being made on a pre-emptive basis to Qualifying Shareowners and is not subject to scaling back. Pursuant to the Placing Agreement the Joint Bookrunners have severally agreed to use their respective reasonable endeavours to conditionally place all of the Open Offer Shares with institutional investors at the Issue Price subject to clawback to satisfy valid applications by Qualifying Shareowners under the Open Offer. Any New Ordinary Shares that are available under the Open Offer and are not taken up by Qualifying Shareowners pursuant to their Open Offer Entitlements will be placed under the Placing.

Application Forms for Qualifying non-CREST Shareowners are expected to be posted to Qualifying non-CREST Shareowners on 4 December 2018 and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareowners in CREST by 5 December 2018. The latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is 11.00 a.m. on 18 December 2018, with Admission expected to take place on 24 December 2018.

Shareowners should note that the Open Offer is not a rights issue. Qualifying Shareowners should be aware that in the Open Offer, unlike with a rights issue, any Open Offer Shares not applied for by Qualifying Shareowners under their Open Offer Entitlement will not be sold in the market on behalf of, or placed for the benefit of, Qualifying Shareowners who do not apply under the Open Offer, but will be placed under the Placing.

Any Qualifying Shareowner who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to the close of business on 3 December 2018 is advised to consult his stockbroker, bank or other agent through whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him under the rules of the London Stock Exchange by those who purchased his holding(s) or part thereof.

Further information on, and the terms and conditions of, the Open Offer are set out in Part II of the Prospectus. The terms and conditions of the Placing are set out in placing letters that have been sent to each Placee.

## **7. DIRECTOR AND PROPOSED DIRECTOR PARTICIPATION**

The Directors are interested in an aggregate of 89,220,920 Ordinary Shares (representing approximately 34.92 per cent. of the Existing Ordinary Shares). Rupert Faure Walker and Paul Roy have irrevocably undertaken to take up their respective Open Offer Entitlements (representing 183,023 New Ordinary Shares and 223,605 New Ordinary Shares, respectively). Sue Prevezer has agreed to subscribe for 227,272 New Ordinary Shares pursuant to the Firm Placing. Sir Martin Sorrell, Peter Rademaker, Daniel Pinto, the EBT, Oro en Fools B.V. and Zen 2 B.V. (being the joint holding companies under the control of Victor Knaap and Wesley ter Haar) have each undertaken not to take up their respective Open Offer Entitlements in order to enable the subscription of such Available Shares by Stanhope as described above.

Further details of the Directors', the Proposed Directors' and PDMRs' participation in the Issue, their shareholdings as at the date of this Announcement and their anticipated shareholdings at Admission will be set out in the Prospectus.

## **8. EXISTING SHAREOWNERS' INTERESTS IN THE ENLARGED GROUP**

Shareowners will experience a reduction in their proportionate ownership and voting interests pursuant to the Firm Placing whether or not Qualifying Shareowners take up their Open Offer Entitlements. If Qualifying Shareowners take up the offer of New Ordinary Shares under the Open Offer in full, as a result of the Issue and the MightyHive Merger their proportionate ownership and voting interests in the Ordinary Shares will be reduced by 18.21 per cent. If they do not take up any of their Open Offer Entitlement their holdings will be reduced by 29.69 per cent. The percentage of the Company's issued share capital that the Existing Ordinary Shares represent will be reduced by 29.69 per cent. to 70.31 per cent. as a result of the Issue.

## **9. GENERAL MEETING**

The Notice convening a General Meeting to be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 11.00 a.m. on 20 December 2018 has been sent to Shareowners in the Circular. The purpose of the General Meeting is to consider, and if thought fit, pass the Resolutions, to (among other things) approve the Issue as set out in full in the Notice of General Meeting.

The Issue Resolution proposes that the Directors be authorised to allot and issue up to 107,902,245 New Ordinary Shares and the 8,984,159 Ordinary Shares that will be subject to Rollover Options on a non-pre-emptive basis in connection with the Issue, the EBT Subscription and the MightyHive Merger.

Sir Martin Sorrell holds the B Share, which, when voted against a resolution proposed at a general meeting of the Company, carries the right to such number of votes as may be required to defeat the relevant resolution. Sir Martin has given an irrevocable undertaking to vote the B Share in favour of all resolutions at the General Meeting, and accordingly it shall carry one vote.

Irrevocable undertakings to vote in favour of the Resolutions have been received from 8 Shareowners representing 39.60 per cent. of the Existing Ordinary Shares.

**Neither the Issue nor the MightyHive Merger will proceed unless the Issue Resolution is passed by the requisite majority.**

**10. OVERSEAS SHAREOWNERS**

The availability of the New Ordinary Shares under the terms of the Open Offer to Shareowners not resident in the UK may be affected by the laws of the relevant jurisdiction where they are resident. Such persons should inform themselves about and observe any applicable requirements.

## IMPORTANT NOTICES

This Announcement has been prepared by, and is the sole responsibility of, the Directors of S<sup>4</sup> Capital plc.

This Announcement is an advertisement and does not constitute a prospectus relating to the Company and does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company in any jurisdiction nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with or act as any inducement to enter into, any contract therefor. Investors should not make any decision to purchase, subscribe for, otherwise acquire, sell or otherwise dispose of any New Ordinary Shares referred to in this Announcement except on the basis of the information contained in the Prospectus published by the Company.

Recipients of this Announcement who are considering acquiring New Ordinary Shares following publication of the Prospectus are reminded that any such acquisition must be made only on the basis of the information contained in the Prospectus which may be different from the information contained in this Announcement.

Dowgate, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority (the "**FCA**"), is acting for S<sup>4</sup> Capital plc in connection with the proposals set out in this Announcement and for no one else and will not be responsible to anyone other than S<sup>4</sup> Capital plc for providing the protections afforded to their clients or for providing advice in relation to this Announcement or any matters referred to herein.

HSBC, which is authorised and regulated in the United Kingdom by the Prudential Regulation Authority and the FCA, is acting for S<sup>4</sup> Capital plc in connection with the proposals set out in this Announcement and for no one else and will not be responsible to anyone other than S<sup>4</sup> Capital plc for providing the protections afforded to their clients or for providing advice in relation to this Announcement or any matters referred to herein.

No representation or warranty, express or implied, is made by Dowgate or HSBC or any of their respective affiliates as to the contents of this Announcement, or for the omission of any material from this Announcement, including its accuracy, fairness, completeness or verification in connection with the Company or the Issue and nothing in this Announcement is, or shall be relied upon as, a warranty or representation in this respect, whether as to the past or future. No liability whatsoever is accepted by either HSBC or Dowgate or any of their respective affiliates for the accuracy of any information or opinions contained in this Agreement or for the omission of any material information, for which the Company is solely responsible. Neither Dowgate nor HSBC has authorised the contents of, or any part of, this Announcement and no liability whatsoever is accepted by Dowgate or HSBC for the accuracy of any information or opinions contained in this document or for the omission of any information from this Announcement.

In connection with the Firm Placing and/or Placing and Open Offer, HSBC, Dowgate and any of their respective affiliates acting as an investor for their own account(s) may subscribe for New Ordinary Shares and, in that capacity, may retain, purchase, sell, offer or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or related

investments in connection with the Firm Placing and/or Placing and Open Offer or otherwise. In addition, HSBC, Dowgate and their respective affiliates may enter into derivative transactions in connection with the Firm Placing and/or Placing and Open Offer, acting at the order and for the account of their business and may also purchase or hold New Order Shares as a hedge for these transactions. Accordingly, references in this Document to Ordinary Shares being issued, offered, subscribed or otherwise dealt with should be read as including any issue or offer to, or subscription or dealing by, HSBC, Dowgate or any of their respective affiliates acting as an investor for its or their own account(s). Neither HSBC nor Dowgate (as applicable) intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The New Ordinary Shares have not been, nor will they be, registered under the US Securities Act of 1933, as amended (the "**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 South Africa. Subject to certain exceptions, the Ordinary Shares may not be offered or sold in the United States, Australia, Canada, Guernsey, Jersey, Japan, Hong Kong Special Administrative Region of the People's Republic of China or Switzerland or to or for the account or benefit of any national, resident or citizen of Australia, Canada, Guernsey, Jersey, Japan, Hong Kong Special Administrative Region of the People's Republic of China or Switzerland or any person located in the United States. The Issue and the distribution of this Announcement in other jurisdictions may be restricted by law and the persons into whose possession this Announcement comes should inform themselves about, and observe, any such restrictions.

#### **Non-IFRS financial measures**

The Announcement includes unaudited non-IFRS measures and ratios, including EBITDA, which are not measures of financial performance under IFRS.

The Group defines EBITDA as profit or loss for the period before net finance costs, income taxes, depreciation and amortisation, impairment and gains/(losses) and disposal of non-current assets, changes in fair value of financial instruments, exchange differences, impairment losses, share-based compensation, gains/(losses) on disposal of financial instruments and other non-recurring costs/income.

Adjusted EBITDA, as defined by the Company, is operating profit adjusted for depreciation and amortisation and, in the case of MediaMonks, signing on bonuses, transaction related costs and, in the case of MightyHive, the staff costs incurred in expanding the network of international offices, share-based payments and adjustments to the bad debt provision. The exclusion of depreciation and amortisation and share-based payments eliminates the non-cash impact of these items and the exclusion of transaction related costs, the signing on bonuses and the staff costs incurred in expanding MightyHive's network of international offices eliminates items which the chief operating decision makers believe are non-recurring.

The Group defines Gross Profit as revenue net of third party costs, including pass-through costs to clients such as media spend, expenses incurred in shooting films, materials purchased for specific

installation projects, external line production companies used when capacity is exceeded, and commissions.

EBITDA-based and Gross Profit-based measures and the related ratios are used by management as indicators of the Group's operating performance. The Company is not presenting EBITDA-based or Gross Profit-based measures as measures of the MediaMonks Group's or the MightyHive Group's results of operations. EBITDA-based and Gross Profit-based measures have important limitations as an analytical tool, and should not be considered in isolation or as substitutes for analysis of the MediaMonks Group's or the MightyHive Group's results of operations.

EBITDA and other non-IFRS measures should not be considered in isolation or as an alternative to profit from operations, cash flow from operating activities or other financial measures of the MediaMonks Group's or the MightyHive Group's results of operations or liquidity derived in accordance with IFRS. They have not been prepared in accordance with IFRS or the accounting standard of any other jurisdiction. The Company has included EBITDA, Gross Profit and other non-IFRS measures in this Announcement, because it believes that they are useful measures of the MediaMonks Group's or the MightyHive Group's performance and liquidity. Other companies, including those in the MediaMonks Group's or the MightyHive Group's industry, may calculate similarly titled financial measures in a manner different to that of the Group. Because all companies do not calculate these financial measures in the same manner, the presentation of such financial measures in this Announcement may not be comparable to other similarly titled measures of other companies. Neither EBITDA nor Adjusted EBITDA is audited.

The Directors consider Adjusted EBITDA to be a useful supplemental tool to assist in evaluating operating performance because it eliminates items related to depreciation, amortisation and exceptional items. As there are no generally accepted accounting principles governing the calculation of non-IFRS measures, other companies may calculate such financial data or operating measures differently or may use such financial data and operating measures for different purposes than the Group does, and such financial data and operating measures should therefore not be used to compare the Group against another company. Prospective investors should not consider such financial data or operating measures in isolation, as a substitute for or superior to financial information prepared in accordance with IFRS or as an indication of operating performance. The Directors intend to report Adjusted EBITDA in the future financial statements of the Group.

### **Cautionary statements**

This Announcement may contain and the Company may make verbal statements containing "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning or the negative thereof. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Company. As a result, the actual future financial condition, performance and results of the Company may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made in

this Announcement by or on behalf of the Company speak only as of the date they are made. The information contained in this Announcement is subject to change without notice and except as required by applicable law or regulation (including to meet the requirements of the Listing Rules, MAR, the Prospectus Rules and/or FSMA), the Company expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this Announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statements are based. Statements contained in this Announcement regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Announcement.

No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future years would necessarily match or exceed the historical published earnings per share of the Company.

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into or forms part of this Announcement.

#### **Information to Distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that the New Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, each of Dowgate and HSBC has only procured investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any

investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

## DEFINITIONS

The following definitions apply throughout this Announcement, unless the context requires otherwise:

<b>Adjusted EBITDA</b>	has the meaning given to it in the section entitled "Important Notices";
<b>Admission</b>	the admission of the New Ordinary Shares to the standard segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities;
<b>Announcement</b>	this announcement;
<b>Application Form</b>	application form which accompanies the Prospectus for Qualifying non-CREST Shareowners for use in connection with the Open Offer;
<b>Available Shares</b>	the 16,113,694 New Ordinary Shares that would have been the subject of the Open Offer Entitlements of Sir Martin Sorrell, Peter Rademaker, Daniel Pinto, the EBT and the holding companies of Victor Knaap and Wesley ter Haar (Oro en Fools B.V. and Zen 2 B.V.);
<b>B Share</b>	the "B" ordinary share of £1.00 in the capital of the Company;
<b>CAGR</b>	compound annual growth rate;
<b>certificated or in certificated form</b>	a share or security which is not in uncertificated form;
<b>Circular</b>	the circular of the Company dated on or about the date of this Announcement including a notice to convene the General Meeting;
<b>Closing Price</b>	the closing, mid-market price of an Existing Ordinary Share on 3 December 2018 (the last business day prior to the announcement of the Issue) as published by the London Stock Exchange;
<b>Company or S<sup>4</sup> Capital</b>	S <sup>4</sup> Capital plc, a public company limited by shares incorporated in England and Wales with registered number 10476913;
<b>Consideration Issue</b>	the issue of 37,068,087 New Ordinary Shares to the MightyHive Equityowners pursuant to the Merger Agreement;
<b>CREST</b>	the relevant system (as defined in CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear;
<b>CREST Manual</b>	the rules governing the operation of CREST;
<b>CREST Regulations</b>	the UK Uncertificated Securities Regulations 2001 (as amended) including any modification or re-enactment thereof for the time being in force and such other regulations as are applicable to Euroclear and/or CREST;

<b>Directors or Board</b>	the board of directors of the Company as at the date of the Prospectus whose names are set out in Part VII of the Prospectus;
<b>Dowgate</b>	Dowgate Capital Limited, Joint Broker and Joint Bookrunner for the Company;
<b>EBT</b>	the S <sup>4</sup> Capital Employee Benefit Trust established by the Company;
<b>EBT Subscription</b>	conditional on Admission, the subscription by the EBT for 3,561,431 New Ordinary Shares;
<b>EEA</b>	the European Economic Area;
<b>EEA States</b>	the member states of the European Union and the European Economic Area, each an " <b>EEA State</b> ";
<b>Enlarged Group</b>	the Group following completion of the MightyHive Merger;
<b>EU or European Union</b>	an economic and political confederation of European nations which share a common foreign and security policy and co-operate on justice and home affairs;
<b>Euroclear</b>	Euroclear UK & Ireland Limited, the operator of CREST;
<b>Excess Shares</b>	the New Ordinary Shares (other than the Available Shares) not taken up by Shareowners under the Open Offer;
<b>Excluded Overseas Shareowners</b>	(other than as agreed in writing by the Company and as permitted by applicable law) Shareowners who are resident or otherwise located in any Excluded Territory;
<b>Excluded Territories</b>	Australia, Canada, Guernsey, Japan, Jersey, Hong Kong Special Administrative Region of the People's Republic of China, Switzerland and the United States or territories for which the distribution of the Prospectus and any accompanying documents or the making of the offer to subscribe for New Ordinary Shares pursuant to the Issue may constitute a violation of relevant securities laws and " <b>Excluded Territory</b> " shall mean any of them;
<b>Existing Ordinary Shares</b>	the 255,494,678 Ordinary Shares in issue as at the date of this Announcement;
<b>FCA</b>	the Financial Conduct Authority of the United Kingdom or any successor body;
<b>Firm Placee</b>	any person who has agreed to subscribe for Firm Placed Shares pursuant to the Firm Placing;
<b>Firm Placed Shares</b>	the 25,549,460 New Ordinary Shares which the Company is proposing to issue pursuant to the Firm Placing;
<b>Firm Placing</b>	the subscription by the Firm Placees for the Firm Placed Shares;

<b>Form of Proxy</b>	the form of proxy enclosed with the Circular for use in connection with the General Meeting;
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended, modified or supplemented from time to time;
<b>General Meeting</b>	the general meeting of the Company convened by the Notice of General Meeting, to be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 11.00 a.m. on 20 December 2018;
<b>Group</b>	the Company and its subsidiaries from time to time;
<b>HSBC</b>	HSBC Bank plc, Joint Broker, Joint Bookrunner and principal bankers to the Company;
<b>Issue</b>	the Firm Placing and Placing and Open Offer;
<b>Issue Price</b>	110 pence per New Ordinary Share;
<b>Issue Resolution</b>	the Resolution numbered 1 in the Notice of General Meeting;
<b>Joint Bookrunners</b>	HSBC and Dowgate;
<b>Listing Rules</b>	the Listing Rules made by the Financial Conduct Authority under Part VI of the FSMA;
<b>London Stock Exchange</b>	London Stock Exchange plc;
<b>Market Abuse Regulation or MAR</b>	Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;
<b>MediaMonks</b>	the business owned and operated by the MediaMonks Group and merged with by S <sup>4</sup> Limited pursuant to the MediaMonks Merger Agreement;
<b>MediaMonks Group</b>	MediaMonks Multimedia Holding B.V. and its subsidiaries from time to time;
<b>MediaMonks Merger Agreement</b>	the share sale and purchase agreement dated 6 July 2018 relating to MediaMonks Multimedia Holding B.V. as more fully described in paragraph 12 of Part XIV of the Prospectus;
<b>Member State</b>	a member of the EEA;
<b>MergeCo</b>	S <sup>4</sup> Capital MergeCo, Inc., a corporation with limited liability incorporated and registered in Delaware, having its registered office at 850 New Burton Road, Suite 201, Dover, Delaware 19904 USA and with file number 7164922;
<b>Merger Agreement</b>	the merger agreement dated 3 December 2018 pursuant to which MightyHive will, upon Admission, merge with and into MergeCo;
<b>MightyHive</b>	MightyHive, Inc.;

<b>MightyHive Merger</b>	the merger of MightyHive with and into MergeCo pursuant to the Merger Agreement;
<b>MightyHive Common Shares</b>	the common shares in MightyHive;
<b>MightyHive Group</b>	MightyHive and its subsidiary undertakings from time to time;
<b>MightyHive Equityowners</b>	the holders of MightyHive Common Shares and/or MightyHive Options;
<b>MightyHive Options</b>	options over the capital of MightyHive;
<b>MightyHive Preferred Shares</b>	the preferred shares in MightyHive;
<b>New Ordinary Shares</b>	the 67,272,727 new Ordinary Shares to be allotted and issued pursuant to the Issue, the 37,068,087 new Ordinary Shares to be issued pursuant to the Consideration Issue and the 3,561,431 new Ordinary Shares to be allotted and issued to the EBT pursuant to the EBT Subscription;
<b>Notice of General Meeting</b>	the notice convening the General Meeting set out at the end of the Circular;
<b>Official List</b>	the Official List of the UKLA;
<b>Open Offer</b>	the conditional invitation to Qualifying Shareowners to apply for the Open Offer Shares at the Issue Price on a pre-emptive basis;
<b>Open Offer Entitlement</b>	the pro rata entitlement to subscribe for Open Offer Shares allocated to a Qualifying Shareowner pursuant to the Open Offer;
<b>Open Offer Shares</b>	the 41,723,267 New Ordinary Shares for which Qualifying Shareowners are being invited to apply at the Issue Price to be issued pursuant to the terms of the Open Offer;
<b>Ordinary Shares</b>	the ordinary shares of the Company, having a nominal value of £0.25;
<b>Overseas Shareowners</b>	Shareowners who are resident in, ordinarily resident in, located in or citizens of, jurisdictions outside the UK;
<b>PK Side Letter</b>	the side letter to the Merger Agreement dated 3 December 2018 pursuant to which Peter Kim agreed to receive 50 per cent. of the aggregate consideration due to him under the Merger Agreement in New Ordinary Shares and 50 per cent. in cash;
<b>Placing</b>	the conditional placing by HSBC and Dowgate of the Placing Shares, subject to clawback pursuant to the Open Offer, on behalf of the Company on the terms and subject to the conditions contained in the Placing Agreement;
<b>Placing Agreement</b>	the Placing Agreement dated 4 December 2018 in relation to the Issue made between HSBC, Dowgate, Sir Martin Sorrell and the Company, the terms of which are summarised in paragraph 12 of Part XIV (Additional Information) of the Prospectus;

<b>Placing Shares</b>	the 41,723,267 New Ordinary Shares to be conditionally placed with institutional and certain other investors pursuant to the terms of the Placing;
<b>Placee</b>	any person who has agreed to subscribe for Placing Shares pursuant to the Placing;
<b>Proposed Directors</b>	the proposed directors of the Company as set out in Part VII of the Prospectus, expected to be appointed to the Board immediately following Admission;
<b>Prospectus</b>	the prospectus expected to be published by the Company on the date of this Announcement;
<b>Prospectus Rules</b>	the prospectus rules of the UKLA made in accordance with section 73A of FSMA, as amended from time to time;
<b>Qualifying CREST Shareowners</b>	Qualifying Shareowners holding Ordinary Shares in uncertificated form;
<b>Qualifying non-CREST Shareowners</b>	Qualifying Shareowners holding Ordinary Shares in certificated form;
<b>Qualifying Shareowners</b>	holders of Ordinary Shares (other than Excluded Overseas Shareowners) on the Company's register of members on the Record Date;
<b>Record Date</b>	the record date for the Open Offer, being close of business on 3 December 2018;
<b>Regulation S</b>	Regulation S under the U.S. Securities Act;
<b>Resolutions</b>	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting included with the Circular;
<b>Restricted</b>	subject to customary lock-in arrangements pursuant to which the relevant Shareowners agrees not to sell, offer for sale or otherwise dispose of Ordinary Shares for the relevant period, subject to certain exceptions;
<b>Rollover Options</b>	the options over Ordinary Shares in the Company to be granted to MightyHive Equityowners who hold MightyHive Options that will be cancelled upon Admission;
<b>Shareowner</b>	a holder of Ordinary Shares;
<b>Stanhope</b>	SEF4 Investment SCSp, acting by its General Partner, Portman Square General Partner S.à r.l.;
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>UKLA or UK Listing Authority</b>	the United Kingdom Listing Authority, being the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;

**uncertificated or in  
uncertificated form**

recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by of CREST;

**United States, U.S. or US**

has the meaning given to the term "United States" in Regulation S; and

**U.S. Securities Act**

the U.S. Securities Act of 1933, as amended.