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

Results for the six months ended 30 June 2021

Very strong first half to start 2021, with like-for-like gross profit (net revenue) up 49% and accelerating to 66% in second quarter, more in line with the fast-growing digital platforms

Like-for-like gross profit (net revenue) guidance for 2021 increased for the third time this year, now from 35% to 40%

Operational EBITDA up 91% reported, 30% like-for-like and 36% pro-forma with EBITDA margin of 14.5% reflecting continued investment in human capital and "whopper" growth in the first half and preparation for a continued strong second half, signaled by July's like-for-like gross profit (net revenue) growth of over 50%

Financial highlights

- Billings* £547.5 million, up over 110% reported, up over 82% like-for-like**, up almost 82% pro-forma***.

- Revenue £279.3 million, up almost 98% reported, up over 56% like-for-like, up almost 57% pro-forma.

- Gross profit (net revenue) £236.7 million, up almost 91% reported, up over 49% like-for-like, up almost 50% pro-forma.

- Like-for-like gross profit (net revenue) growth of almost 33 % in Q1 more than doubled to almost 66% in Q2, partly reflecting easier comparatives due to the impact of covid-19 in 2020. Even more importantly, the gross profit (net revenue) two-year stack (ie adding this half year's like-for-like growth of 49% to last year's 12%) was up 61% and up 73% in Q2 (adding this second quarter growth of 66% to last year's 7%), clearly demonstrating that S⁴Capital is more of a proxy on the growth of the digital platforms, with Google's Q2 two-year revenue growth stack at 57% and Facebook's Advertising revenue Q2 two-year growth stack at 66%, rather than the adholdcos, which were generally flat. On a like-for-like basis the Company's two year stack for the first half of 2021 was up 75% (ie comparing 2021 with 2019 on a constant currency basis). Like-for-like gross profit (net revenue) growth continued at over 50% in July and the Company is raising its like-for-like gross profit (net revenue) growth guidance for 2021 from 35% to 40%. This is the third time this year that such guidance has been raised from the original figure of 25% and clearly signals that the Company is confident of doubling its size purely organically (ie on a like-for-like basis) for all its three, three-year plans covering the periods 2019-21, 2020-22 and 2021-23.

- Operational EBITDA**** £34.3 million, up 91% reported, up almost 30% like-for-like and up over 36% pro-forma, as the Company continued to invest in the human fabric of the firm and prioritised top-line growth. Headcount increased to 5,751 from 2,644 at the end of the first half last year, like-for-like headcount increasing by 56%, to support the even stronger revenue and gross profit (net revenue) growth anticipated in the second half and achieve the enhanced expectations for 2021.

- Operating loss £16.1 million, which includes adjusting items of £47.5 million (primarily acquisition payments, some linked to continued employment and associated expense totalling £23.6 million versus a credit of £1.8 million in 2020, amortisation and share-based compensation), versus an operating profit of £1.3 million in 2020 and like-for-like operating loss of £18.1 million loss.

- Loss before income tax £19.4 million, which includes adjusting items, versus £1.0 million (loss) in 2020 and like-for-like loss before income tax of £20.1 million.

- Loss for the period £21.1 million, which includes adjusting items after taxation versus £1.4 million (loss) in 2020 and like-for-like loss of £21.6 million.

- Basic and diluted loss per share 3.9p versus 0.3p loss in 2020

- Adjusted basic earnings per share, which includes adjusting items after tax, of 3.9p per ordinary share, up over 66%, versus 2.3p per share in the first half of last year and pro-forma adjusted basic earnings per share 4.4p.

- Liquidity was strong throughout the first half, with net cash balances pretty much throughout the half-year, even after significant combination payments, with period end net cash***** £7.4 million, which excludes the impact of the seven-year €375 million senior secured term loan led by Credit Suisse AG, London branch, HSBC Bank plc and Barclays Bank plc. In addition, the company negotiated a five-year £100 million equivalent multi-currency senior secured revolving credit facility with Credit Suisse, HSBC, Barclays, JP Morgan and BNP Paribas. Both term loan and revolving facility were successfully completed in early August 2021. This replaced all existing facilities and will provide approximately £200 million for general corporate purposes, including the cash element of future combinations, which is typically one half of overall consideration. Combination firepower is therefore around £400 million. The Company will maintain its policy of maximum net leverage not exceeding 1.5-2x Operational EBITDA.

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

"We have had a super strong first half start to 2021, in line with the fast-growing digital platforms. Even in comparison to 2019, we are up strongly, again more like the digital platforms. It is clear that the tragedy of covid-19 has accelerated the speed of digital transformation and disruption at consumer, media and enterprise levels. Especially, in these difficult times, we continue to be committed to ensuring that our people are well and safe, with sustainability and responsibility being a priority.

"These results confirm that S^{4}Capital is converting at scale with five "whopper" client (clients of more than $20 million per annum gross revenues) already and ten more identified out of an overall target of 20. We are clearly in a disruptive, growth sweet spot and our digital only, faster, better, cheaper, unitary, holy trinity" model, which combines first party data with digital content, data and digital media is gaining traction, particularly in a cookieless world.

"After only three years, on our third birthday as a listed company and with a market capitalisation of around six and a half billion dollars, which is well in to the top 125 FTSE companies, we are now in a position to build even stronger value-adding relationships with tech, healthcare, financial and FMCG clients amongst others. And with a strong and liquid balance sheet and significant combination firepower we are in a great financial place to expand through further combinations, which will add to our data, content, digital media and, potentially in the future, technology services capabilities. The second half of 2021 and the prospects for 2022 look very good primarily driven by the fiscal and monetary stimulus, as well as the years beyond driven by digital transformation".

Strategic and operational highlights

/ In January, MediaMonks announced its combination with integrated creative, technology and media agency Decoded Advertising (completed on 31 December 2020), Shanghai based creative agency TOMORROW (completed on 8 January 2021) and Stuttgart based automotive specialist STAUD STUDIOS (completed on 19 January 2021). MightyHive also announced its combination with integrated digital performance marketing agency Metric Theory (completed on 31 December 2020).

/ In February, MightyHive acquired the assets of Datalicious Australia, a leading Google Marketing Platform, Google Cloud and Google Analytics partner in Asia Pacific.

/ In March, MediaMonks announced it had entered into a conditional agreement in relation to a combination of MediaMonks with Toronto-based design and experience agency, Jam3 (completed on 4 May 2021).

/ In May, MightyHive announced it had entered into a conditional agreement in relation to a combination of MightyHive with the leading digital performance agency in Brazil, Raccoon Group (completed on 26 May 2021).

/ After the half year end in July 2021, MightyHive announced a combination with Destined, a leading Salesforce agency (Platinum Partner) in Asia Pacific (completed on 23 July 2021).

/ Finally, in September, our new unitary brand announced a combination with Cashmere, the iconic culture and creative marketing agency based in Los Angeles (completed 3 September 2021).

/ Post merger integration for these combinations and previous combinations has been planned and implemented carefully and effectively, enabling the integration process to commence quickly and effectively after completion. Our clients and people have been impressed with the talents and capabilities merged in.

/ Although the pandemic has taken a terrible social toll, it has also accelerated the process of digital transformation at hyper speed. The consumer, the media and the enterprise have all seen an acceleration in the pace of change. Consumers are buying more essentials and food online, as well as increasingly educating their kids online and buying healthcare and financial services online, in many cases for the first time, but once converted they will continue to do so. In media, the "streamers" are continuing to displace free to air tv networks, physical newspapers and magazines are in steeper decline accelerating digital transformation and digital outdoor is continuing to displace traditional. Finally, enterprises, following a financially challenged second quarter in 2020, no longer had cause to defend the status quo and "change agents" were given more oxygen to push through digital changes.

- Similarly, while analogue or traditional advertising, marketing services and trade budgets may have declined last year by 10-15% or so, the digital segments of S^{4}Capital's addressable \$1.8 trillion market (excluding technology services) actually grew despite the pandemic, crossing a 50% share and promising to grow this year by 20%, driven both by the huge, unprecedented post-pandemic monetary and fiscal stimulus and by the surge in digital transformation. Digital is forecast to reach 70% of our addressable market by 2024. 2022 promises to be another year of surging global GDP growth of around 4-5%, slightly slowing from this year's 5-6%. Although, global GDP growth might slip in 2023 to pre-pandemic levels of 2-3%, digital markets will continue to grow driven by the pace of digital transformation and technological change. Given this considerable market opportunity, prioritising revenue and gross profit (net revenue) growth at this early stage of the Company's development continues to be part of its strategy, boosted by substantial human capital investment, particularly given the continuing second half 2021 momentum.

- Part of our purpose is to provide jobs and long-term career opportunities for our people. We are growing S^{4}Capital in a responsible and sustainable way, for the long-term benefit of all, making a meaningful difference and leaving a light footprint. Sustainability is an integral part of S^{4}Capital's long-term business strategy, growing the world's brightest talent to create a skilled, diverse workplace and applying technology and our digital expertise for the greater good. Our strategy and activities are built around three pillars: Sustainable Production, Zero Impact Workspaces and Diversity, Equity & Inclusion. In response to last year's appalling racist events in America, the Company instituted a number of immediate programmes and changes – first to its recruitment and internal education programmes, secondly, with a matching contribution plan for a number of selected non-profits and, lastly, with the establishment of a Fellowship Programme for Historically Black College & University graduates in the United States. It is our intention to extend this Programme to High Schools. In addition, to develop even more significant gender diversity at senior management levels, the Company has instituted the S^{4}Womens Leadership Programme at UC Berkeley. The Company is seeking to implement "B" Corp status by the end of this year.

- Our client roster continues to be dominated by and strengthened in technology, as well as in fast moving consumer goods (FMCG), in telecommunications and in pharmaceuticals, both by practice and geography. Notable assignments in the first half of 2021 were won with our existing clients such as Google, Facebook, HP, Netflix, Procter & Gamble and AB InBev, plus we added new logos including Amazon Fashion, FIFA, Burberry, Toblerone (Mondelēz), Shopify, Instacart, McLaren and OLX, as our new agency consultancy model gains traction and we continue to be included in a number of major client reviews, although we continue to favour expansion through "land&expand", as lengthy reviews are wasteful and time-consuming, as well as commoditising, for both client and agency. Having achieved brand awareness and brand trial over the first two years of its existence, the Company now has five "whopper" accounts (Google, another FAANG (NDA), BMW/MINI, Mondēlez, Facebook) and high hopes of adding two or three more "whoppers" next year to our roster of clients – that is, clients who represent more than \$20 million of gross revenue each year. We have set a new client conversion target of "20^2", that is 20 clients with over \$20 million annual revenue and have identified 15 out of the 20 so far, including the 7-8 identified above.

- By practice, Content gross profit (net revenue) was up over 66% reported, almost 51% like-for-like and 52% pro-forma. Data & digital media up over 169% reported, almost 47% like-for-like and over 46% pro-forma.

- By geography, the Americas gross profit (net revenue) was up 90% reported, over 47% like-for-like and over 48% pro-forma. EMEA was up over 101% reported, up 60% like-for-like and over 60% pro-forma, particularly reflecting two 'Whopper' wins. Asia-Pacific was up almost 76% reported, up over 43% both like-for-like and pro-forma.

- Content and data&digital media capabilities added in the United States, Canada, Brazil, Germany, China and Australia in the first half through seven combinations.

- Further content and data&digital media capabilities added in the United States and Asia Pacific after the half year end through two combinations.

Outlook

- The first half of 2021 came in well above budget and/or target growing twice as fast as anticipated and with the two-year stack growing similarly to the digital platforms. The second half of 2021 has also started strongly and like-for-like gross profit (net revenue) guidance for the full year has now been raised for the third time this year to 40%, having started the year at 25%.

- Given the strong organic growth rate in the first half of 2021 and July, the Company believes it will double organically (meaning like-for-like) over the three-year period 2021-23 (as we believe it will do in the three-year periods 2019-21 and 2020-22) and deliver like-for-like 40% revenue and gross profit (net revenue) growth and strong margins in 2021. The Company's prospects for 2022 also look stronger given the organic growth rate, increasing client conversion at scale, significant combination activity and the likely continued post-covid-19 economic recovery.

*Billings is gross billings to client including pass through costs
**Like-for-like relates to 2020 being restated to show the numbers for the previous year of the existing and acquired businesses consolidated for the same months as in 2021 applying currency rates as used in 2021
***Pro-forma numbers relate to unaudited full year non-statutory and non-GAAP consolidated results in constant currency as if the S[4]Capital Plc Group (the group) had existed in full for the year and have been prepared under comparable GAAP with no consolidation eliminations
****Operational EBITDA is EBITDA adjusted for non-recurring items and recurring share-based payments and is a non-GAAP measure management uses to assess the underlying business performance (also see note 13)
*****Net cash comprises cash minus bank loans

This document contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group, including, among other things, statements about expected revenues, margins, earnings per share or other financial or other measures. Although the Group believes its expectations are based on reasonable assumptions, any forward-looking statements, by their very nature, involve risks and uncertainties and may be influenced by factors that could cause actual outcomes and results to be materially different from those predicted. The forward-looking statements reflect knowledge and information available at the date of preparation of this document and the Group undertakes no obligation to update these forward-looking statements. The Group identifies the forward-looking statements by using the words 'anticipates', 'believes', 'expects', 'intends', 'estimate', 'expect', 'project', 'plan', 'believe', 'target' and similar expressions in such statements. Important factors that could cause actual results to differ materially from those contained in forward-looking statements, certain of which are beyond the Group's control, include, among other things: the unanticipated loss of a material client or key personnel, delays or reductions in client advertising budgets, shifts in industry rates of compensation, regulatory compliance costs or litigation, natural disasters or acts of terrorism, the overall level of economic activity in the Company's major markets etc.
Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made and are based upon the knowledge and information available to the Directors on the date of this document.

Results webcast and conference call

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

09:00 BST call - For dial in Q&A only:
UK: +44 (0)330 336 9434
US: +1 323-994-2093
Confirmation code: 7785558

08:00 EDT/13:00 BST call – For dial in Q&A only
UK: +44 (0)330 336 9125
US: +1 323-794-2093
Confirmation code: 8150655

Enquiries to

S[4]Capital Plc
Sir Martin Sorrell, Executive Chairman
Peter Rademaker, Chief Financial Officer
Scott Spirit, Chief Growth Officer
+44 (0)20 3793 0003

Dowgate Capital Limited (Joint Corporate Broker)
James Serjeant/David Poutney
+44 (0)20 3903 7715

Jefferies International Limited (Joint Corporate Broker to S4 Capital plc)
Tony White/Harry Le May
+44 (0)207 029 8000

Morgan Stanley & Co. International plc (Joint Corporate Broker to S4 Capital plc)
Paul Baker/Alex Smart
+44 (0)207 425 8000

Powerscourt (PR Advisor)
Elly Williamson/Jane Glover
+44 (0)7970 246 725

About S^{4}Capital

S^{4}Capital plc (SFOR.L) is the tech-led, new age/new era digital advertising and marketing services company, established by Sir Martin Sorrell in May 2018.

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

Digital is by far the fastest-growing segment of the advertising market. S^{4}Capital estimates that in 2020 digital accounted for over 50% (for the first time) or $290 billion of total global advertising spend of $525 billion (excluding over $500 billion of trade promotion marketing, the primary target of the Amazon advertising platform), and projects that by 2022 this share will grow to approximately 60% and by 2024 to approximately 70%, accelerated by the impact of covid-19.

S^{4}Capital combined with MediaMonks, the leading AdAge A-listed creative digital content production company led by Victor Knaap and Wesley ter Haar, in July 2018 and with MightyHive, the market-leading digital media solutions provider for future thinking marketers and agencies, led by Peter Kim and Christopher S. Martin, in December 2018.

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

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

In January 2021, MediaMonks announced its combination with integrated creative, technology and media agency Decoded Advertising, Shanghai based creative agency TOMORROW and Stuttgart based automotive specialist STAUD STUDIOS. MightyHive also announced its combination with integrated digital performance marketing agency Metric Theory. In February 2021, MightyHive acquired the assets of Datalicious Australia, a leading Google Marketing Platform, Google Cloud and Google Analytics partner in Asia Pacific. In March 2021, MediaMonks announced it had entered into a conditional agreement in relation to a combination of MediaMonks with Toronto-based design and experience agency, Jam3. In May 2021, MightyHive announced it had entered into a conditional agreement in relation to a combination of MightyHive with the leading digital performance agency in Brazil, Raccoon Group.

On 26 July 2021, MightyHive announced a combination with Salesforce specialist Destined expanding its data and digital media practice in Asia Pacific. On 8 September 2021, the new unitary brand Media.Monks announced a combination with the iconic culture and creative marketing agency, Cashmere, based in Los Angeles.

In August 2021, S^{4}Capital launched its unitary brand by merging MediaMonks and MightyHive into Media.Monks, represented by a dynamic logo mark that features MightyHive's iconic hexagon. As the operational brand, Media.Monks underpins S4Capital's agility, digital knowledge and efficiency and is the next step in delivering on its foundational promise to unify content, data&digital media and technology services.

On 16 July 2020, S^{4}Capital announced the successful placing of 36,766,642 new ordinary shares at a price of 315p raising approximately £116 million gross proceeds which has been used for further expansion and combination purposes.

On 19 July 2021, S^{4}Capital announced it had engaged Credit Suisse AG, London branch, HSBC Bank plc and Barclays Bank plc as lead arrangers for a seven-year €375 million senior secured term loan. In addition, it negotiated a five-year £100 million equivalent multicurrency senior secured revolving credit facility with Credit Suisse, HSBC, Barclays, JP Morgan and BNP Paribas. Both term loan and revolving facility were successfully completed in early August 2021. This refinanced its existing €25 million and US$28.9 million term loans and its €35 million and €43.5 million multicurrency revolving credit facilities and will provide approximately £200 million for general corporate purposes, including funding the cash element of future mergers, which is typically one-half of overall consideration. The Company will maintain its policy of maximum net leverage not exceeding 1.5-2x Operational EBITDA.

Victor Knaap, Wesley ter Haar, Pete Kim, Christopher Martin, Peter Rademaker and Scott Spirit all joined the S^{4}Capital Board as Directors. The S^{4}Capital Board also includes Rupert Faure Walker, Paul Roy, Daniel Pinto, Sue Prevezer, Elizabeth Buchanan, Naoko Okumoto, Margaret Ma Connolly and Miles Young.

The Company now has nearly 6,000 people in 33 countries across the Americas, Europe, the Middle East and Africa and Asia-Pacific and a current market capitalisation of approximately £4.5 billion (c.$6.3 billion), and would rank well inside the FTSE 125. It achieved Unicorn status in a little over one year, unique in the advertising and marketing services industry. Sir Martin was CEO of WPP for 33 years, building it from a £1 million "shell" company in 1985 into the world's largest advertising and marketing services company with a market capitalisation of over £16 billion on the day he left. Today its market capitalisation is £12 billion, having recently been surpassed by Publicis for the first time. Prior to that Sir Martin was Group Financial Director of Saatchi & Saatchi Company Plc for nine years.

Summary of results

	Notes	Six months ended 30 Jun 2021 GBP'000	Six months ended 30 Jun 2020[1] GBP'000	Year ended 31 Dec 2020 GBP'000	Like-for-like[2] Six months ended 30 Jun 2020 GBP'000	Proforma[3] Six months ended 30 Jun 2021 GBP'000	Proforma Six months ended 30 Jun 2020 GBP'000
Revenue	6	279,288	141,344	342,687	178,773	291,444	185,924
Cost of sales		42,626	17,375	47,505	20,352	43,541	20,544
Gross profit	6	**236,662**	**123,969**	**295,182**	**158,421**	**247,903**	**165,380**
Content		157,047	94,410	220,497	104,141	161,952	106,557
Data & Digital media		79,615	29,559	74,685	54,280	85,951	58,823
America's		168,788	88,818	206,316	114,568	179,845	121,475
EMEA		48,284	23,991	59,235	30,170	48,468	30,222
Asia-Pacific		19,590	11,160	29,631	13,683	19,590	13,683
Total operating expenses		252,794	122,632	287,049	176,472	283,131	205,709
Operating (loss) / profit		**(16,132)**	**1,337**	**8,133**	**(18,051)**	**(35,228)**	**(40,329)**
Adjusted operating profit		31,324	16,265	57,950	24,409	35,774	26,382
Adjusting items	14	(47,456)	(14,928)	(49,817)	(42,460)	(71,002)	(66,711)
Operating (loss) / profit		(16,132)	1,337	8,133	(18,051)	(35,228)	(40,329)
Net finance expenses		(3,250)	(2,374)	(5,037)	(2,009)	(2,991)	(1,928)
(Loss) / profit before income tax		**(19,382)**	**(1,037)**	**3,096**	**(20,060)**	**(38,219)**	**(42,257)**
Adjusted result before income tax		28,074	13,891	52,913	22,400	32,783	24,454
Adjusting items	14	(47,456)	(14,928)	(49,817)	(42,460)	(71,002)	(66,711)
(Loss) / profit before income tax		(19,382)	(1,037)	3,096	(20,060)	(38,219)	(42,257)
Income tax expense		(1,740)	(352)	(7,025)	(1,535)	(3,277)	(1,720)
(Loss) / profit for the period		**(21,122)**	**(1,389)**	**(3,929)**	**(21,595)**	**(41,496)**	**(43,977)**
Adjusted result for the period		21,159	10,894	38,892	16,424	24,099	17,885
Adjusting items	14	(47,456)	(14,928)	(49,817)	(42,460)	(71,002)	(66,711)
Tax on adjusting items		5,175	2,645	6,996	4,441	5,407	4,849
Loss for the period		(21,122)	(1,389)	(3,929)	(21,595)	(41,496)	(43,977)
Operating (loss) / profit		(16,132)	1,337	8,133	(18,051)	(35,228)	(40,329)
Adjusting items	14	47,456	14,928	49,817	42,460	71,002	66,711
Depreciation (excl. right-of-use assets)		3,023	1,719	4,228	2,087	3,124	2,162
Operational EBITDA	14	**34,347**	**17,984**	**62,178**	**26,496**	**38,898**	**28,544**
Central costs		4,840	2,493	6,112	2,479	4,840	2,479
Operational EBITDA before central costs		**39,187**	**20,477**	**68,290**	**28,975**	**43,738**	**31,023**
Weighted average number of shares in issue for the purpose of basic and adjusted net result per share		544,589,568	465,697,844	493,290,974	544,589,568	546,909,387	546,909,387
Net loss attributable to equity owners of the company *(GBP'000)*		(21,122)	(1,389)	(3,929)	(21,595)	(41,496)	(43,977)
Basic net loss per share *(pence)*		**(3.9)**	**(0.3)**	**(0.8)**	**(4.0)**	**(7.6)**	**(8.0)**
Diluted net loss per share *(Pence)*		**(3.9)**	**(0.3)**	**(0.8)**	**(4.0)**	**(7.6)**	**(8.0)**
Adjusted profit for the period		21,159	10,894	38,892	16,424	24,099	17,885
Adjusted basic earnings per share *(pence)*		**3.9**	**2.3**	**7.9**	**3.0**	**4.4**	**3.3**

Notes:
1. Restated for the initial accounting for the business combination of Circus as required by IFRS 3. Details are disclosed in Note 5.
2. Like-for-like is a non-GAAP measure relates to 2020 being restated to show the unaudited numbers for the previous year of the existing and acquired businesses consolidated for the same months as in 2021 applying currency rates as used in 2021;
3. Proforma numbers relate to unaudited full year non-statutory and non-GAAP consolidated results in constant currency as if the Group had existed in full for the year and have been prepared under comparable GAAP with no consolidation eliminations.

On its third stock market birthday, S4Capital is delighted to report strong statutory, like-for-like and pro-forma revenue and gross profit growth for the first six months of 2021. Our 6,000 digital specialists in 33 countries have dealt superbly with the challenges and opportunities posed by the pandemic, together with the considerable personal and family difficulties encountered. The Company is well on the way to doubling organically over the period 2021-2023 and achieving the same objective in both the 2019-21 and 2020-22 triennials.

Billings were £547.5 million, up over 110% on a reported basis, up over 82% on a like-for-like basis and up almost 82% on a pro-forma basis. Controlled Billings were approximately $2.3 billion.

Revenue was £279.3 million, up almost 98% from £141.3 million on a reported basis, up over 56% on a like-for-like basis and up almost 57% on a pro-forma basis, partially reflecting the strength of the pound sterling against the US dollar in the first half of 2021 in comparison to the first half of 2020.

Reported gross profit was £236.7 million, up almost 91% from £124.0 million for the comparable period in 2020, up over 49% like-for-like and up almost 50% pro-forma.

Like-for-like gross profit (net revenue) growth accelerated sharply from almost 33% in Q1 to almost 66% in Q2, partly due to the easier comparatives in a Q2 2020 depressed by covid-19, but, even more impressively, the two-year stack compared to Q2 2019 was up 73% (adding this second quarter's growth of 66% to last year's 7%)), pretty much in line with the tech platforms and markedly different to the adholdcos, who struggled to find any growth over the two years.

Reported Operational Earnings Before Interest, Taxes, Depreciation and Amortisation ('EBITDA') was £34.3 million versus £18.0 million, an increase of 91%, primarily reflecting both combination activity and a continued, covid-19-driven reduction in freelance, travel and office costs. Operational EBITDA was up almost 30% on a like-for-like basis and up over 36% on a pro-forma basis, primarily reflecting an increase of 56% in the like-for-like headcount in the first half from 3,684 people to 5,751 people at the end of the first half. As disclosed in the secured term loan and revolving credit facility presentations, Operational EBITDA for the latest twelve months to June 2021 was £100.2 million. As outlined in both the First Quarter Trading Statement of 4 May 2021 and the AGM statement of 7 June 2021, the Group has continued to invest heavily in human capital, as it geared up for significant expansion in the second half of the year as a result of "whopper" wins and stronger client demand and geographic and practice expansion. This will support the continued strong anticipated revenue and gross profit (net profit) growth in the second half of 2021, which have already been signaled in the strong gross profit (net revenue) results for July.

Adjusted operating profit was up almost 93% at £31.3 million from £16.3 million on a reported basis, before adjusting items of £47.4 million, including non-recurring items, primarily acquisition payments tied to continued employment, share-based compensation and amortisation of business combination intangible assets. Like-for-like adjusted operating profit was up over 28% and pro-forma adjusted operating profit was up almost 36%, primarily reflecting the continued impact of covid-19 and the increase in like-for-like number of people in the firm, as the Company geared up for a stronger second half.

Adjusted result before income tax was £28.1 million, up over 102% versus £13.9 million in the comparable period last year. On a like-for-like basis adjusted result before income tax was up over 25% and up over 34% on a pro-forma basis.

Adjusted result for the period was £21.2 million, up 94% on a reported basis, up almost 29% on a like-for-like basis and up almost 35% on a pro-forma basis.

Basic and diluted loss per share was 3.9p versus 0.3p loss in 2020.

Adjusted basic earnings per share was 3.9p, versus adjusted basic earnings per share of 2.3p in the first half of 2020.

The Board has decided that there will be no interim dividend declared for the first half of 2021, although it continues to review the advisability of declaring a modest dividend in future.

Gross profit, Operational EBITDA and Operational EBITDA margins by practice

Content practice gross profit was £157.0 million (66% of total gross profit), up over 66% on a reported basis from last year. Gross profit on a like-for-like basis was up almost 51% and up over 52% on a pro-forma basis.

Data&digital media practice gross profit was £79.6 million (34% of total gross profit), up over 169%, from last year on a reported basis. Gross profit on a like-for-like basis was up almost 47% and on a pro-forma basis was up over 46%.

Content practice operational EBITDA before S4Capital central costs was £16.8 million, up over 8% from last year, reflecting a significant necessary increased investment in talent following major account wins and up almost 7% on a like-for-like basis and up over 15% on a pro-forma basis. The Content practice operational EBITDA margin was 10.7%, compared to 16.4% last year, again reflecting increased investment in human capital in the first half of the year to staff "whoppers" and prepare for a stronger second half and build client team structures, integration tools and software across a unitary organisation for the longer term.

Data&digital media practice operational EBITDA before S^{4}Capital central costs was £22.4 million, up 350% from last year and up over 69% on a like-for-like basis and almost 67% on a proforma basis, reflecting very strong organic growth driven by the prospect of a cookie-less world, significant combination activity, the continued impact of covid-19 and increased investment in human capital to prepare for a strong second half. Data&digital media practice operational EBITDA margin was 28.2%, compared to 16.9% last year, reflecting the positive impact of strong organic revenue growth on operational gearing and a fall in travel, office and other operating expenses during covid-19***.***

Gross Profit by Geography

Americas (71% of total) was £168.8 million, up 90% on a reported basis from last year. On a like-for-like basis Americas gross profit was up over 47% and up over 48% on a pro-forma basis reflecting strong trading, new "whoppers", the relative resilience and agility of our two practices in the United States and Canada and the strength of our market position in Latin America.

EMEA (20% of total gross profit or net revenue) was £48.3 million, up over 101% from last year on a reported basis. On both a like-for-like and pro-forma basis EMEA gross profit (net revenue) was up 60% primarily reflecting "whopper" growth in the key markets of EMEA.

Asia Pacific (9% of total) was £19.6 million, up almost 76% on a reported basis. On both a like-for-like and pro-forma basis Asia Pacific gross profit (net revenue) was up over 43% reflecting continued strong organic growth and the relatively rapid recovery in the region's major markets from the earlier impact of covid-19, subject to variant surges.

Client activity, development and integration

There has been strong individual Content practice and Data&digital media practice client development in FMCG, pharmaceutical, media, financial services, telecommunications, hospitality, retail, sport and technology. High profile wins during the first half have included Amazon Fashion, FIFA, Burberry, Toblerone (Mondelēz), Shopify, Instacart, McLaren and OLX.

Significant developments continue at Google, Facebook, HP, Netflix, Procter & Gamble and AB InBev amongst others. The Company is increasingly being included in a number of major industry reviews, reflecting the client interest in the new era/new age agency consultancy model, although we prefer landing&expanding with clients, as the process is less wasteful and time-consuming and a more effective way of selecting agency partners. We have added two more "whoppers" to our roster of clients making five - that is clients who represent more than $20 million of gross revenue each year. We currently have, Google, another well-known tech company (NDA), BMW/MINI, Mondēlez and Facebook and have identified ten other potential ones, of which two or three are trending towards the required level. Our new client conversion target of "20^2", that is 20 clients with over $20 million annual gross revenue, remains.

There has been significant joint and integrated activity in the auto, durables, healthcare, FMCG, financial services, media, retail, sports, telecommunications and technology areas.

The Company has successfully launched its new unitary operational brand, Media.Monks, which highlights the Company's roots in content creation at MediaMonks and features its data&digital practice through continued use of the MightyHive hexagon. There is sufficient flexibility in the branding's execution to offer expanded "space" to all our combined entities. The Company's financial brand remains S^{4}Capital. The launch has been very successfully received by both clients and internally, particularly given the careful preparation taken with both communities. Clients have been pleasantly surprised by the firm decision to move to a unitary brand and the speed of implementation. Clients want a new, integrated offer giving them easy access to all our talents.

One of the impacts of covid-19 has been the increasing attraction of the hybrid office model, with our people potentially spending three days in the office. Our first, unitary office integrations have been or are being implemented successfully in Amsterdam, Buenos Aires, Singapore, London and Berlin and escalated integrations are being planned in all of the 57 cities that the Company operates in, dependent on the expiration dates of existing leases. Cross-functional geographic co-operation continues to be significant. In addition, the Company is implementing sales pipeline and HR tooling to underpin its unitary structure. First steps have been taken to implement unified ERP tooling.

Combination activity

This year has again seen significant combination activity, with nine transactions aimed at continuing to build our content capabilities and our data&digital media and key platform capabilities and resources.

In January 2021, MediaMonks announced its combination with integrated creative, technology and media agency Decoded Advertising, Shanghai based creative agency TOMORROW and Stuttgart based automotive specialist STAUD STUDIOS. MightyHive also announced its combination with integrated digital performance marketing agency Metric Theory.

In February 2021, MightyHive acquired the assets of Datalicious Australia, a leading Google Marketing Platform, Google Cloud and Google Analytics partner in Asia Pacific.

In March 2021, MediaMonks announced it had entered into a conditional agreement in relation to a combination of MediaMonks with Toronto-based design and experience agency, Jam3.

In May 2021, MightyHive announced it had entered into a conditional agreement in relation to a combination of MightyHive with the leading digital performance agency in Brazil, Raccoon Group.

In July, MightyHive combined with Destined to significantly increase its data&digital media practice in AsiaPacific and augment its global Salesforce capabilities.

Finally, last Wednesday, our new unitary brand, Media.Monks announced a combination with the iconic culture and creative marketing agency, Cashmere, based in Los Angeles.

In all cases, except Datalicious Australia, which was all cash, total consideration paid or payable was approximately half in cash and half in S^{4}Capital Ordinary Shares, with a two-year lock-up from date of issue and in many cases acquisition payments tied to continued employment. Multiples paid were in the range of approximately 1-2 times revenues and 5-10 times EBITDA, depending on current and forecast performance over the current and/or following year, with no earnouts. The combination pipeline is extremely strong in both Content and Data&digital media, along with our planned third new practice in technology services.

Balance sheet liquidity
Liquidity remains strong with half-year end net cash around £7.4 million. This, of course, excludes the recently negotiated term loan and re-negotiated revolving credit facility. On 19 July 2021, S^{4}Capital announced it had engaged Credit Suisse AG, London branch, HSBC Bank plc and Barclays Bank plc as lead arrangers for a seven-year €375 million senior secured term loan. In addition, it negotiated a five-year £100 million equivalent multicurrency senior secured revolving credit facility with Credit Suisse, HSBC, Barclays, JP Morgan and BNP Paribas. This refinanced its existing €25 million and US$28.9 million term loans and its €35 million and €43.5 million multicurrency revolving credit facilities and will provide approximately £200 million for general corporate purposes, including funding the cash element of future combinations, which is typically one-half of overall consideration. The Company will maintain its policy of maximum net leverage not exceeding 1.5-2x Operational EBITDA.

Outlook and July results
Like for like growth rates remain strong, with July's gross profit (net revenue) up over 50%.

As anticipated in the Company's 2021 budget and Q1 and Q2 revised forecasts, the second half is targeted to be strong and top line growth has started very well.

Unaudited consolidated interim statement of profit or loss

for the six month period ended 30 June 2021

	Notes	Six months ended 30 Jun 2021 GBP'000	Six months ended 30 Jun 2020[1] GBP'000	Year ended 31 Dec 2020 GBP'000
Revenue	6	279,288	141,344	342,687
Cost of sales		42,626	17,375	47,505
Gross profit	6	**236,662**	**123,969**	**295,182**
Personnel costs		183,003	92,412	205,135
Other operating expenses		20,674	14,278	30,561
Acquisition and set-up related expenses	14	23,615	(1,805)	14,338
Depreciation and amortisation		25,502	17,747	37,015
Total operating expenses		252,794	122,632	287,049
Operating (loss) / profit		**(16,132)**	**1,337**	**8,133**
Adjusted operating profit		31,324	16,265	57,950
Adjusting items	14	(47,456)	(14,928)	(49,817)
Operating (Loss) / profit		(16,132)	1,337	8,133
Finance income		413	-	698
Finance expenses		(3,663)	(2,374)	(5,735)
Net finance expenses		(3,250)	(2,374)	(5,037)
(Loss) / profit before income tax		**(19,382)**	**(1,037)**	**3,096**
Income tax expense		(1,740)	(352)	(7,025)
Loss for the period		**(21,122)**	**(1,389)**	**(3,929)**
Attributable to owners of the Company		(21,122)	(1,389)	(3,929)
Attributable to non-controlling interests		-	-	-
		(21,122)	**(1,389)**	**(3,929)**
Loss per share is attributable to the ordinary equity holders of the Company				
Basic loss per share *(pence)*	7	(3.9)	(0.3)	(0.8)
Diluted loss per share *(pence)*	7	(3.9)	(0.3)	(0.8)

Note:

1. Restated for the initial accounting for the business combination of Circus as required by IFRS 3. Details are disclosed in Note 5.

Unaudited consolidated interim statement of comprehensive income

for the six month period ended 30 June 2021

	Six months ended 30 Jun 2021 GBP'000	Six months ended 30 Jun 2020[1] GBP'000	Year ended 31 Dec 2020 GBP'000
Loss for the period	**(21,122)**	**(1,389)**	**(3,929)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign operations – foreign currency translation differences	(16,618)	34,341	2,905
	(16,618)	34,341	2,905
Total comprehensive (loss) / gain for the period	**(37,740)**	**32,952**	**(1,024)**
Attributable to owners of the company	(37,740)	32,952	(1,024)
Attributable to non-controlling interests	-	-	-
	(37,740)	**32,952**	**(1,024)**

Note:

1. Restated for the initial accounting for the business combination of Circus as required by IFRS 3. Details are disclosed in Note 5.

Unaudited consolidated interim balance sheet

as at 30 June 2021

	Notes	As at 30 Jun 2021 GBP'000	As at 30 Jun 2020[1] GBP'000	As at 31 Dec 2020[2] GBP'000
Assets				
Non-current assets				
Intangible assets	9	880,219	615,741	820,267
Right-of-use assets		30,747	23,127	26,830
Property, plant and equipment		16,775	12,880	14,537
Deferred tax assets		3,327	993	2,068
Other receivables		2,520	2,606	2,125
		933,588	655,347	865,827
Current assets				
Trade and other receivables	10	233,985	120,409	181,708
Cash and cash equivalents		119,566	84,972	142,052
		353,551	205,381	323,760
Total assets		**1,287,139**	**860,728**	**1,189,587**
Liabilities				
Non-current liabilities				
Loans and borrowings	11	41,430	45,800	44,819
Lease liabilities		24,978	17,579	20,860
Contingent considerations		31,482	410	32,593
Other payables		2,033	2,159	1,941
Deferred tax liabilities		78,775	60,405	79,312
		178,698	126,353	179,525
Current liabilities				
Trade and other payables	12	222,308	124,949	191,070
Loans and borrowings	11	70,813	31,935	45,623
Contingent considerations and holdbacks		51,880	15,858	37,012
Lease liabilities		9,371	6,769	8,100
Tax liabilities		18,090	14,161	12,480
		372,462	193,672	294,285
Total liabilities		**551,160**	**320,025**	**473,810**
Net assets		**735,979**	**540,703**	**715,777**
Equity				
Attributable to owners of the company				
Share capital		137,102	122,530	135,516
Reserves		598,777	418,073	580,161
		735,879	540,603	715,677
Non-controlling interests		100	100	100
Total equity		**735,979**	**540,703**	**715,777**

Notes:

1. Restated for the initial accounting for the business combination of Circus as required by IFRS 3. Details are disclosed in Note 5.
2. Restated for the initial accounting for the business combination of Decoded and Metric Theory as required by IFRS 3. Details are disclosed in Note 5.

Unaudited consolidated interim statement of cash flows

for the six month period ended 30 June 2021

	Notes	Six months ended 30 Jun 2021 GBP'000	Six months ended 30 Jun 2020[1] GBP'000	Year ended 31 Dec 2020 GBP'000
Cash flows from operating activities				
(Loss) / profit before income tax		(19,382)	(1,037)	3,096
Finance income and expenses		3,250	2,374	5,038
Depreciation and amortisation		25,502	17,747	37,015
Share based compensation		6,312	6,141	12,331
Acquisition and set-up related expenses		23,615	(1,805)	14,338
(Increase) / decrease in trade and other receivables		(38,657)	11,936	(29,282)
Increase in trade and other payables		19,953	2,210	29,892
Cash flows from operations		**20,593**	**37,566**	**72,428**
Income taxes paid		(7,862)	(1,246)	(10,758)
Net cash flows from operating activities		**12,731**	**36,320**	**61,670**
Cash flows from investing activities				
Investments in intangible assets		(411)	(49)	(34)
Investments in property, plant and equipment		(3,562)	(4,192)	(7,396)
Acquisition of subsidiaries, net of cash acquired		(50,344)	(40,876)	(124,155)
Financial fixed assets		(391)	192	871
Cash flows from investing activities		**(54,708)**	**(44,925)**	**(130,714)**
Cash flows from financing activities				
Proceeds from issuance of shares		-	126	113,386
Additional borrowings during the year	11	24,057	31,025	45,378
Payment of lease liabilities		(5,401)	(5,688)	(12,175)
Interest paid		(1,765)	(474)	(742)
Cash flows from financing activities		**16,891**	**24,989**	**145,847**
Net movement in cash and cash equivalents		(25,086)	16,384	76,803
Cash and cash equivalents beginning of the year		142,052	66,106	66,106
Exchange gain / (loss) on cash and cash equivalents		2,600	2,482	(857)
Cash and cash equivalents at end of period		**119,566**	**84,972**	**142,052**

Note:

1. Restated for the initial accounting for the business combination of Circus as required by IFRS 3. Details are disclosed in Note 5.

S4 CAPITAL

Unaudited consolidated interim statement of changes in equity

for the six month period ended 30 June 2021

Equity	*Number of shares*	Share capital GBP'000	Share premium GBP'000	Merger reserves GBP'000	Other reserves GBP'000	Foreign exchange reserves GBP'000	Accumulated losses GBP'000	Total GBP'000	Non-controlling interests GBP'000	Total equity GBP'000
Balance at 1 January 2020	***469,227,259***	**117,307**	**174,302**	**205,717**	**(1,160)**	**(18,750)**	**(11,215)**	**466,201**	**100**	**466,301**
Comprehensive income or (loss) for the period										
Loss for the period	-	-	-	-	-	-	(523)	**(523)**	-	**(523)**
Foreign currency translation differences	-	-	-	-	-	34,341	-	**34,341**	-	**34,341**
Total comprehensive income or (loss) for the period	-	-	-	-	-	34,341	(523)	**33,818**	-	**33,818**
Transactions with owners of the company										
Business combinations	*20,275,846*	5,068	30,364	-	(250)	-	-	**35,182**	-	**35,182**
Employee share schemes	*619,074*	155	390	-	(426)	-	6,149	**6,268**	-	**6,268**
Balance as previously reported	***490,122,179***	**122,530**	**205,056**	**205,717**	**(1,836)**	**15,591**	**(5,589)**	**541,469**	**100**	**541,569**
Restatement[1]	-	-	-	-	-	-	(866)	**(866)**	-	**(866)**
Balance as at 31 June 2020	***490,122,179***	**122,530**	**205,056**	**205,717**	**(1,836)**	**15,591**	**(6,455)**	**540,603**	**100**	**540,703**
Comprehensive income or (loss) for the period										
Loss for the period	-	-	-	-	-	-	(2,540)	**(2,540)**	-	**(2,540)**
Foreign currency translation differences	-	-	-	-	-	(31,436)	-	**(31,436)**	-	**(31,436)**
Total comprehensive income or (loss) for the period	-	-	-	-	-	(31,436)	(2,540)	**(33,976)**	-	**(33,976)**
Transactions with owners of the company										
Issue of Ordinary Shares	*36,766,642*	9,192	103,995	-	-	-	-	**113,187**	-	**113,187**
Business combinations	*14,468,176*	3,618	54,200	-	28,905	-	-	**86,723**	-	**86,723**
Employee share schemes	*708,461*	176	944	-	(28)	-	5,814	**6,906**	-	**6,906**
Balance as previously reported	***542,065,458***	**135,516**	**364,195**	**205,717**	**27,041**	**(15,845)**	**(3,181)**	**713,443**	**100**	**713,543**
Restatement[2]	-	-	-	-	2,234	-	-	**2,234**	-	**2,234**
Balance as at 31 December 2020	***542,065,458***	**135,516**	**364,195**	**205,717**	**29,275**	**(15,845)**	**(3,181)**	**715,677**	**100**	**715,777**
Comprehensive income or (loss) for the period										
Loss for the period	-	-	-	-	-	-	(21,122)	**(21,122)**	-	**(21,122)**
Foreign currency translation differences	-	-	-	-	-	(16,618)	-	**(16,618)**	-	**(16,618)**
Total comprehensive income or (loss) for the period	-	-	-	-	-	(16,618)	(21,122)	**(37,740)**	-	**(37,740)**
Transactions with owners of the company										

Business combinations	*6,343,254*	1,586	31,880	-	18,164	-	-	**51,630**	-	**51,630**
Employee share schemes	-	-	-	-	-	-	6,312	**6,312**	-	**6,312**
Balance as at 30 June 2021	***548,408,712***	**137,102**	**396,075**	**205,717**	**47,439**	**(32,463)**	**(17,991)**	**735,879**	**100**	**735,979**

Notes:

1. Restated for the initial accounting for the business combination of Circus as required by IFRS 3. Details are disclosed in Note 5.
2. Restated for the initial accounting for the business combination of Decoded and Metric Theory as required by IFRS 3. Details are disclosed in Note 5.

Notes to the unaudited consolidated interim financial statements

for the six-month period ended 30 June 2021

1. General information

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

The unaudited consolidated interim financial statements represent the results of the Company and its subsidiaries (together referred to as 'S^{4}Capital Group 'or the 'Group'). An overview of the subsidiaries is provided in note 14 on page 128 of the Annual Report and Accounts 2020.

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

2. Basis of preparation

A. Statement of compliance

The unaudited consolidated interim financial statements for the 6 months period ended 30 June 2021 are a condensed set of financial information and have been prepared on the basis of the policies set out in the 2020 annual financial statements and in accordance with UK adopted IAS 34 and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority.

This report is to be read in conjunction with the annual report for the year ended 31 December 2020, which was prepared in accordance with IFRS in conformity with the requirements of the Companies Act 2006 and IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The Group has undertaken a detailed going concern assessment, reviewing its current and projected financial performance and position. The Directors believe that the Group's forecasts have been prepared on a prudent basis and have also considered the impact of future acquisitions. On 6 August 2021, S^{4}Capital Group signed a new facility agreement, consisting of a Term Loan B of EUR 375 million (expiring August 2028) and a multicurrency Revolving Credit Facility (RCF) of GBP 100 million (expiring August 2028). Considering the Group's bank covenant and liquidity headroom and cost mitigation actions which could be implemented, the Directors have concluded that the Group will be able to operate within its facilities and comply with its banking covenants for the foreseeable future and therefore believe it is appropriate to prepare the financial statements of the Group on a going concern basis and that there are no material uncertainties which gives rise to a significant going concern risk. Given its debt maturity profile and available facilities, the Directors believe the Group has sufficient liquidity to match its requirements for the foreseeable future. In the year to 31 December 2021 the annual financial statements will be prepared in accordance with IFRS as adopted by the UK Endorsement Board. This change in basis of preparation is required by UK company law for the purposes of financial reporting as a result of the UK's exit from the EU on 31 January 2020 and the cessation of the transition period on 31 December 2020. This change does not constitute a change in accounting policy but rather a change in framework which is required to ground the use of IFRS in company law. There is no impact on recognition, measurement or disclosure between the two frameworks in the period reported.

The unaudited consolidated interim financial statements were authorized for issue by the Board of Directors on 13 September 2021.

B. Functional and presentation currency

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

3. Significant accounting policies

The unaudited consolidated interim financial statements have been prepared on a consistent basis with the accounting policies of the Group which were set out on pages 105 to 108 of the Annual Report and Accounts 2020. No changes have been made to the Group's accounting policies in the period ended 30 June 2021.

Certain new accounting standards and interpretations have been published that are not mandatory for the six-month reporting period ending 30 June 2021 and have not yet been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4. Statutory information and independent review

The unaudited consolidated interim financial statements for the six-month period ended 30 June 2021 and the financial information for the year ended 31 December 2020 do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2020 have been delivered to the Registrar of Companies and received an unqualified auditors' report, did not include a reference to any matters to which the auditors drew attention by way of an emphasis of matter and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006. The consolidated interim financial statements are unaudited but have been reviewed by the auditors and their report is set out on the last page.

5. Acquisitions

A. Business Combinations

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and provisional goodwill of the subsidiaries acquired in the period ended 30 June 2021 are as follows:

	Jam3 GBP'000	Raccoon GBP'000	Others GBP'000	Total GBP'000
Intangible assets - Customer relationships	20,713	-	1,325	**22,038**
Intangible assets - Brand names	573	-	81	**654**
Intangible assets - Order Backlog	1,243	-	78	**1,321**
Intangible assets - Software	661	-	-	**661**
Property, plant and equipment	832	1,268	3,164	**5,264**
Cash and cash equivalents	3,233	589	204	**4,026**
Trade and other receivables	4,513	6,425	1,768	**12,706**
Other non-current assets	38	10	-	**48**
Trade and other payables	(3,871)	(746)	(1,892)	**(6,509)**
Current taxation	(6,550)	(808)	(2)	**(7,360)**
Lease liabilities	(461)	(738)	(1,951)	**(3,150)**
Other non-current liabilities	-	(27)	(746)	**(773)**
Deferred taxation	(6,085)	-	(282)	**(6,367)**
Net assets	14,839	5,973	1,747	**22,559**
Goodwill	24,559	30,457	18,415	**73,431**
Total purchase consideration	**39,398**	**36,430**	**20,162**	**95,990**
Payment in kind (common stock)	16,176	-	5,564	**21,740**
Cash	10,785	18,193	7,240	**36,218**
Deferred consideration	-	18,164	-	**18,164**
Contingent consideration	12,078	-	6,959	**19,037**
Holdback obligations	359	73	399	**831**
Total purchase consideration	**39,398**	**36,430**	**20,162**	**95,990**
Cash purchase consideration	10,785	18,193	7,240	**36,218**
Cash and cash equivalents acquired	3,233	589	204	**4,026**
Cash outflow on acquisition (net of cash acquired)	**7,552**	**17,604**	**7,036**	**32,192**

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

The goodwill represents the potential growth opportunities and synergy effects from the acquisitions. The goodwill is not deductible for tax purposes. Trade receivables, net of expected credit losses, acquired are considered to be fair value and are expected to be collectable in full.

Contingent consideration arising from business combinations is fair valued, with key inputs including the probability of success, consideration of potential delays and the expected levels of future revenues. The contingent considerations are contingent on the acquired companies achieving their 2021 results and, in some cases their 2022 and 2023 results, as determined upon acquiring the subsidiary. The contingent considerations are included for the maximum amount of the consideration which is in line with management's estimate of expected payout. Contingent consideration classified as a liability is subject to remeasurement at each reporting date until its ultimate settlement date. Any change in the fair value of the liability due to events that occur after the acquisition date would be recognised in earnings.

The total acquisition costs have been recognised under acquisition and set-up related expenses in the statement of profit or loss.

Since the acquisition date, the acquired companies contributed £12.5 million to the Group's revenue and £1.75 million into the Group's profit for the half year period ended 30 June 2021.

If the acquisitions had occurred on 1 January 2021, the Group's revenue would have been £291.4 million and the Group's loss for the year would have been £41.5 million.

Content Practice

During the period ending 30 June 2021 three businesses combined with the Content practice:

- On 11 January 2021, S^{4}Capital Plc announced the combination with TOMORROW, an award-winning Shanghai-based creative agency.
- On 20 January 2021, S^{4}Capital Plc announced the combination with Staud Studios, a German high-end creative production studio specializing in the automotive industry.
- On 25 March 2021, S^{4}Capital Plc announced the combination with Jam3, an award-winning Toronto-based design and experience agency with MediaMonks. The combination completed on 4 May 2021.

The total consideration for the above three transactions is expected to be approximately £58.5 million.

Data & digital media practice

During the period ending 30 June 2021 two businesses combined with the Data and Digital Media Practice:

- On 1 February 2021, S^{4}Capital Plc announced that MightyHive has acquired the assets of Datalicious, a leading Google Marketing Platform, Google Cloud and Google Analytics partner in Asia Pacific.
- On 4 May 2021, S^{4}Capital Plc announced the combination between Raccoon Group and MightyHive, a leading digital performance agency in Brazil.

The total consideration for the above two transactions is expected to be approximately £37.5 million.

At the end of the reporting period the purchase price allocation for Staud and Raccoon have not been fully finalised and therefore the acquisition accounting and resulting goodwill recognised remains provisional. During the measurement period in 2021, S^{4}Capital Group will obtain the information necessary to identify and measure the identifiable intangible assets and retrospectively adjust the provisional amounts recognized at the acquisition date.

B. Restatements

As stated on page 18 of the Group's 2020 Half Year Report, the initial accounting for the business combination of Circus Network, completed as of 12 March 2020, was incomplete by the end of the six-month reporting period ended 30 June 2020. At the end of the reporting period, the identifiable intangible assets acquired were not identified, were consequently not measured and were therefore not deducted from goodwill as at 30 June 2020.

In the second half of 2020, S^{4}Capital Group has obtained the information necessary to identify and measure the identifiable intangible assets for the business combination of Circus Network and has adjusted its intangible assets, deferred tax liabilities and reserves as of 30 June 2020, as required by IFRS 3, as follows:

	30 Jun 2020 *GBP'000*	Adjustment *GBP'000*	30 Jun 2020 restated *GBP'000*
Goodwill	40,352	(12,057)	28,295
Intangible assets – Customer relationships		14,436	14,436
Intangible assets – Brand name		416	416
Intangible assets – Order Backlog		984	984
Deferred tax liabilities		(3,959)	(3,959)
Tax liabilities		(686)	(686)
Charge for the period[1]		866	866
Total	**40,352**	**-**	**40,352**

[1] Consisting of the amortization of the identified intangble assets of GBP 1.2 million and the movement of the deferred tax liabilities of GBP 0.3 millioncharged to the profit or loss.

The initial accounting for the business combinations of Decoded and Metric Theory, acquired as of 31 Dec 2020, was incomplete by the end of the reporting period ending 31 Dec 2020, as stated on page 116 of the Group's Annual Report and Accounts 2020. At the end of the reporting period, the identifiable intangibles acquired were not identified, were consequently not measured and were therefore not deducted from goodwill as at 31 December 2020.

In the first half of 2021, S^{4}Capital Group has obtained the information necessary to identify and measure the identifiable intangible assets for the business combinations with Decoded Advertising and Metric Theory and has adjusted its intangible assets, deferred tax liabilities, contingent consideration and other items as 31 December 2020, as required by IFRS 3.

	31 Dec 2020 *GBP'000*	Adjustment *GBP'000*	31 Dec 2020 restated *GBP'000*
Goodwill	160,630	(42,608)	118,022
Intangible assets – Customer relationships		56,537	56,537
Intangible assets – Brand name		1,758	1,758
Intangible assets – Order Backlog		2,989	2,989
Intangible assets – Others		2,462	2,462
Right-of-use assets		5,177	5,177
Trade and other receivables		317	317
Deferred tax liabilities		(17,212)	(17,212)
Lease liabilities		(5,971)	(5,971)
Contingent considerations[1]		(1,270)	(1,270)
Trade and other payables		55	55
Increase in fair value of equity consideration[1]		(2,234)	(2,234)
Total	**160,630**	**-**	**160,630**

[1] Contingent considerations and Reserves refer to the remuneration adjustments as required by IFRS 3.

6. Segment information

A. Revenue from operations

	Six months ended 30 Jun 2021 *GBP'000*	Six months ended 30 Jun 2020 *GBP'000*	Year ended 31 Dec 2020 *GBP'000*
Services	279,288	141,344	342,687
Total	**279,288**	**141,344**	**342,687**

B. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the Directors and executive management of S^{4}Capital Group.

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

- Content Practice: Creative content, campaigns and assets at a global scale for paid, social and earned media – from digital platforms and apps to brand activations that aim to convert consumers at every possible touchpoint.
- Data & Digital media Practice: this technology and services practice encompasses full-service campaign management analytics, creative production and ad serving, platform and systems integration and transition and training and education.

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

The Directors and executive management monitor the results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment prior to charges for tax, depreciation and amortisation.

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

Six months ended 30 June 2021	Content GBP'000	Data & digital media GBP'000	Total GBP'000
Gross profit	**157,047**	**79,615**	**236,662**
Segment profit	**16,750**	**22,438**	**39,188**
Overhead cost			(4,840)
Adjusted non-recurring and acquisition related expenses			(29,927)
Depreciation[1] and amortisation			(20,553)
Net Finance expenses			(3,250)
Profit before income tax			**(19,382)**

[1] Depreciation is exclusive of depreciation on right-of-use assets.

Six months ended 30 June 2020	Content GBP'000	Data & digital media GBP'000	Total GBP'000
Gross profit	**94,410**	**29,559**	**123,969**
Segment profit	**15,491**	**4,987**	**20,478**
Overhead cost			(2,493)
Adjusted non-recurring and acquisition related expenses[1]			(4,336)
Depreciation[2] and amortisation			(12,312)
Net Finance expenses			(2,374)
Loss before income tax			**(1,037)**

[1] Restated for the initial accounting for the business combination of Circus as required by IFRS 3. Details are disclosed in Note 5.
[2] Depreciation is exclusive of depreciation on right-of-use assets.

Year ended 31 December 2020	Content GBP'000	Data & digital media GBP'000	Total GBP'000
Gross profit	**220,497**	**74,685**	**295,182**
Segment profit	**46,687**	**21,603**	**68,290**
Overhead cost			(6,112)
Adjusted non-recurring and acquisition related expenses			(26,669)
Depreciation[1] and amortisation			(27,376)
Net Finance expenses			(5,037)
Profit before income tax			**3,096**

[1] Depreciation is exclusive of depreciation on right-of-use assets.

7. Income tax

	Six months ended 30 Jun 2021 GBP'000	Six months ended 30 Jun 2020[1] GBP'000	Year ended 31 Dec 2020 GBP'000
Current tax for the year	(7,377)	(3,004)	(12,970)
Adjustments for current tax of prior years	462	7	(203)
Total current tax	(6,915)	(2,997)	(13,173)
Decrease in deferred tax	5,175	2,645	6,148
Income tax expense	**(1,740)**	**(352)**	**(7,025)**

[1] Restated for the initial accounting for the business combination of Circus as required by IFRS 3. Details are disclosed in Note 5.

8. Earnings per share

	Six months ended 30 Jun 2021	Six months ended 30 Jun 2020[1]	Year ended 31 Dec 2020
Loss attributable to owners of the Company (GBP'000)	(21,122)	(1,389)	(3,929)
Weighted average number of ordinary shares	544,589,568	465,697,844	493,290,974
Basic loss per share	**(3.9)**	**(0.3)**	**(0.8)**
Diluted loss per share	**(3.9)**	**(0.3)**	**(0.8)**

[1] Restated for the initial accounting for the business combination of Circus as required by IFRS 3. Details are disclosed in Note 5.

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

9. Intangible assets

	Goodwill GBP'000	Customer relationships GBP'000	Brands GBP'000	Order Backlog GBP'000	Other GBP'000	Total GBP'000
Cost	328,836	206,706	15,276	5,464	6,364	**562,646**
Accumulated amortisation	-	(14,598)	(1,295)	(5,464)	(1,160)	**(22,517)**
Net book value at 1 January 2020	**328,836**	**192,108**	**13,981**	**-**	**5,204**	**540,129**
Acquired through business combinations	40,111	-	-	-	-	**40,111**
Additions	-	-	-	-	49	**49**
Amortisation charge for the period	-	(7,874)	(819)	-	(745)	**(9,438)**
Foreign exchange differences	25,738	14,001	1,008	-	364	**41,111**
Total transactions during the period	**65,849**	**6,127**	**189**	**-**	**(332)**	**71,833**
Cost	394,685	222,046	16,405	5,863	6,887	**645,886**
Accumulated amortisation	-	(23,811)	(2,235)	(5,863)	(2,015)	**(33,924)**
Net book value as previously reported	**394,685**	**198,235**	**14,170**	**-**	**4,872**	**611,962**
Restatement[1]	(12,057)	14,436	416	984	-	**3,779**
Net book value at 30 June 2020	**382,628**	**212,671**	**14,586**	**984**	**4,872**	**615,741**
Acquired through business combinations	197,529	27,241	854	2,081	2,254	**229,959**
Amortisation charge for the period	-	(9,873)	(1,047)	(1,919)	(871)	**(13,710)**
Foreign exchange differences	(20,235)	(11,698)	(714)	56	(270)	**(32,861)**
Total transactions during the period	**177,294**	**5,670**	**(907)**	**218**	**1,113**	**183,388**
Cost	559,922	250,583	16,799	8,805	8,745	**844,854**
Accumulated amortisation	-	(32,242)	(3,120)	(7,603)	(2,760)	**(45,725)**
Net book value as previously reported	**559,922**	**218,341**	**13,679**	**1,202**	**5,985**	**799,129**
Restatement[2]	(42,608)	56,537	1,758	2,989	2,462	**21,138**
Net book value at 31 December 2020	**517,314**	**274,878**	**15,437**	**4,191**	**8,447**	**820,267**
Acquired through business combinations	73,431	22,038	654	1,321	661	**98,105**
Additions	-	-	-	-	411	**411**
Amortisation charge for the period	-	(11,965)	(1,316)	(2,945)	(1,303)	**(17,529)**
Foreign exchange differences	(13,480)	(6,847)	(472)	(77)	(159)	**(21,035)**
Total transactions during the period	**59,951**	**3,226**	**(1,134)**	**(1,701)**	**(390)**	**59,952**
Cost	577,265	321,310	18,652	12,751	12,344	**942,322**
Accumulated amortisation		(43,206)	(4,349)	(10,261)	(4,287)	**(62,103)**
Net book value at 30 June 2021	**577,265**	**278,104**	**14,303**	**2,490**	**8,057**	**880,219**

[1] Restated for the initial accounting for the business combination of Circus as required by IFRS 3. Details are disclosed in Note 5.
[2] Restated for the initial accounting for the business combination of Decoded and Metric Theory as required by IFRS 3. Details are disclosed in Note 5.

10. Trade and other receivables

	Six months ended 30 Jun 2021 GBP'000	Six months ended 30 Jun 2020 GBP'000	Year ended 31 Dec 2020[1] GBP'000
Trade receivables	199,142	108,830	159,598
Prepayments	6,724	3,921	4,555
Accrued income	18,130	5,355	12,934
Other receivables	9,989	2,303	4,621
Total	**233,985**	**120,409**	**181,708**

[1] Restated for the initial accounting for the business combination of Decoded and Metric Theory as required by IFRS 3. Details are disclosed in Note 5.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. A provision for expected credit loss of GBP 4.7 million was recognised on the Group's trade receivables at the end of the period (30 June 2020 GBP 2.0 million, 31 December 2020 GBP 3.4 million).

11. Loans and borrowings

Loans and borrowings	Bank loans GBP'000	Transaction costs GBP'000	Total GBP'000
Principal amount	43,215	(1,134)	42,081
Accumulated charges to profit-or-loss	-	293	293
Balance as at 1 January 2020	**43,215**	**(841)**	**42,374**
Additions	31,025	25	31,050
Charged to profit-or-loss	-	126	126
Exchange rate differences	4,293	(109)	4,184
Total transactions during the period	**35,318**	**42**	**35,360**
Principal amount	78,533	(1,240)	77,293
Accumulated charges to profit-or-loss	-	442	442
Balance as at 30 June 2020	**78,533**	**(798)**	**77,735**
Additions	14,598	(269)	14,329
Acquired through business combinations	1,958	-	1,958
Charged to profit-or-loss	-	160	160
Exchange rate differences	(3,804)	64	(3,740)
Total transactions during the period	**12,752**	**(45)**	**12,707**
Principal amount	91,285	(1,442)	89,843
Accumulated charges to profit-or-loss	-	598	598
Balance as at 31 December 2020	**91,285**	**(844)**	**90,441**
Additions	24,057	-	24,057
Acquired through business combinations	424	-	424
Charged to profit-or-loss	-	92	92
Exchange rate differences	(2,797)	26	(2,771)
Total transactions during the period	**21,684**	**118**	**21,802**
Principal amount	112,969	(1,386)	111,583
Accumulated charges to profit-or-loss	-	660	660
Balance as at 30 June 2021	**112,969**	**(726)**	**112,243**
Repayment obligations coming 12 months	71,032	(219)	70,813
Non-current balance as at 30 June 2021	**41,937**	**(507)**	**41,430**

On 6 August 2021, S^{4}Capital Group has entered into a new facility agreement. On 9 August 2021, S^{4}Capital Group has prepaid its existing facilities in full. During the reporting period, the average interest rate of the outstanding loans amounts to 1.38% (six-month period ending 30 June 2020 1.71%, 12-month period ending 31 December 2020 1.42%). The average effective interest rate for the outstanding loans is 1.34% (six-month period ending 30 June 2020 1.65%, 12-month period ending 31 December 2020 1.38%) and during the period interest expense of GBP 0.8 million (six-month period ending 30 June 2020 0.6 million, 12-month period ending 31 December 2020 GBP 1.1 million) was recognised.

12. Trade and other payables

	Six months ended 30 Jun 2021 GBP'000	Six months ended 30 Jun 2020 GBP'000	Year ended 31 Dec 2020[1] GBP'000
Trade payables	143,454	85,584	127,344
Accruals	51,962	21,701	34,010
Deferred income	26,892	17,664	29,716
Total	**222,308**	**124,949**	**191,070**

[1] Restated for the initial accounting for the business combination of Decoded and Metric Theory as required by IFRS 3. Details are disclosed in Note 5.

13. Related party transactions

Details of compensation for key management personnel for the 12 months to 31 December 2020 are disclosed on pages 70 to 80 of the Annual Report and Accounts 2020. Apart from the key management personnel compensation, S[4]Capital Group did not have any other related party transactions during the financial period (2020: nil).

14. Reconciliation to non-GAAP measures of performance

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

Six months ended 30 Jun 2021	Reported GBP'000	Amortisation[1] GBP'000	Acquisition and set-up related expenses[2] GBP'000	Share based compensation GBP'000	Adjusted GBP'000
Operating profit / (loss)	**(16,132)**	**17,529**	**23,615**	**6,312**	**31,324**
Net finance expenses	(3,250)	-	-	-	(3,250)
Profit / (loss) before income tax	**(19,382)**	**17,529**	**23,615**	**6,312**	**28,074**
Income tax expense	(1,740)	(5,175)			(6,915)
Profit / (loss) for the period	**(21,122)**	**12,354**	**23,615**	**6,312**	**21,159**

[1] Amortisation relates to the amortisation of certain intangible assets recognised as a result of the acquisitions.
[2] Acquisition and set-up related expenses relate to acquisition related advisory fees of GBP 3.6 million, bonuses of GBP 0.3 million and revaluation of contingent considerations of GBP 19.7 million.

Six months ended 30 Jun 2020[1]	Reported GBP'000	Amortisation[2] GBP'000	Acquisition and set-up related expenses[3] GBP'000	Share based compensation GBP'000	Adjusted GBP'000
Operating profit / (loss)	**1,337**	**10,592**	**(1,805)**	**6,141**	**16,265**
Net finance expenses	(2,374)	-	-	-	(2,374)
Profit / (loss) before income tax	**(1,037)**	**10,592**	**(1,805)**	**6,141**	**13,891**
Income tax expense	(352)	(2,645)	-	-	(2,997)
Profit / (loss) for the period	**(1,389)**	**7,947**	**(1,805)**	**6,141**	**10,894**

[1] Restated for the initial accounting for the business combination of Circus as required by IFRS 3. Details are disclosed in Note 5.
[2] Amortisation relates to the amortisation of certain intangible assets recognised as a result of the acquisitions.
[3] Acquisition and set-up related expenses relate to acquisition related advisory fees of GBP 5.4 million, bonuses of GBP 1.0 million and revaluation of contingent considerations of GBP 8.2 million.

CAPITAL

Year ended 31 Dec 2020	Reported GBP'000	Amortisation[1] GBP'000	Acquisition and set-up related expenses[2] GBP'000	Share based compensation GBP'000	Adjusted GBP'000
Operating profit / (loss)	**8,133**	**23,148**	**14,338**	**12,331**	**57,950**
Net finance expenses	(5,037)	-	-	-	(5,037)
Profit / (loss) before income tax	**3,096**	**23,148**	**14,338**	**12,331**	**52,913**
Income tax expense	(7,025)	(5,758)	(1,238)	-	(14,021)
Profit / (loss) for the period	**(3,929)**	**17,390**	**13,100**	**12,331**	**38,892**

[1] Amortisation relates to the amortisation of certain intangible assets recognised as a result of the acquisitions.
[2] Acquisition and set-up related expenses relate to acquisition related bonuses of GBP 2.2 million, transaction related advisory fees of GBP 13.6 million and a remeasurement gain for contingent consideration of GBP 1.5 million.

Reconciliation to adjusted operational EBITDA	Six months ended 30 Jun 2021 GBP'000	Six months ended 30 Jun 2020[1] GBP'000	Year ended 31 Dec 2020 GBP'000
Operating profit / (loss)	**(16,132)**	1,337	8,133
Amortisation of intangible assets	17,529	10,592	23,148
Acquisition and set-up related expenses	23,615	(1,805)	14,338
Share based compensation	6,312	6,141	12,331
Depreciation property, plant and equipment[2]	3,023	1,719	4,228
Operational EBITDA	**34,347**	**17,984**	**62,178**

[1] Restated for the initial accounting for the business combination of Circus as required by IFRS 3. Details are disclosed in Note 5.
[2] Depreciation property, plant and equipment is exclusive of depreciation on right-of-use assets.

Billings[1]	Six months ended 30 Jun 2021 GBP'000	Six months ended 30 Jun 2020 GBP'000	Year ended 31 Dec 2020 GBP'000
Revenue	**279,288**	**141,344**	**342,687**
Pass-through expenses	268,259	119,105	310,713
Billings	**547,547**	**260,449**	**653,400**

[1] Billings is gross billings to client including pass-through expenses.

Adjusted Basic net profit per share	Six months ended 30 Jun 2021	Six months ended 30 Jun 2020	Year ended 31 Dec 2020
Weighted average number of shares in issue	544,589,568	465,697,844	493,290,974
Adjusted net profit attributable to equity of owners of the company *(GBP'000)*	21,159	10,894	38,892
Adjusted Basic net earnings per share	**3.9**	**2.3**	**7.9**

15. Events occurring after the reporting period

A. New facility agreement

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

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

B. Prepayment of existing facilities

On 9 August 2021, S^{4}Capital Group has prepaid its existing facilities, consisting of a EUR 25.0 million term loan, USD 28.9 million term loan, a multicurrency Revolving Credit Facility (RCF) of EUR 35 million, which was fully drawn at the end of the reporting period, and a multicurrency Revolving Credit Facility (RCF) of EUR 43.5 million, which was fully drawn at the end of the reporting period, by making use of the proceeds from the new Term Loan B.

C. Business combinations

- On 26 July 2021, S^{4}Capital Plc announced the combination between MightyHive and Destined, a leader in digital transformation strategy, Salesforce platform implementation, integration strategy & execution, managed services, and training and change management.
- On 8 September 2021, S^{4}Capital Plc announced the combination with Cashmere, the iconic culture and creative marketing agency based in Los Angeles.

16. Principal risks and uncertainties

The key risks for the Group achieving their objectives remain the same as at the year end of 2020 and can be found on page 31 up to and including page 36 of the Annual Report and Accounts 2020.

Economic environment

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

People and leadership

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

Strategic

The Group's strategy is to build a purely digital multinational advertising and marketing services business, initially by business combinations and long term through robust organic growth. Failing to identify and complete, or, if completed, integrate suitable merger opportunities may adversely impact the Group's business and prospects.

The Group is dependent on relationships with certain third parties with significant market positions, such as Google, Amazon and Facebook.

IT and data security

The Group is subject to a number of laws relating to privacy and data protection governing its ability to collect and use personal information. These data protection and privacy-related laws and regulations are becoming increasingly restrictive and complex and may result in greater regulatory oversight and increased levels of enforcement and sanctions.

Financial

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

Any significant movement in foreign exchange rates between Pound Sterling and other currencies in which revenue is generated could have an impact on the Group's results and financial position.

Regulatory, sanctions and taxation

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

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

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

Responsibility statement

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

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

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

A list of directors is maintained on the S^{4}Capital plc website: www.s4capital.com

Signed on behalf of the Board on 13 September 2021

Sir Martin Sorrell
Executive Chairman

Peter Rademaker
Group Chief Financial Officer

Independent review report to S⁴Capital plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed S[4] Capital plc's condensed consolidated interim financial statements (the "interim financial statements") in the unaudited consolidated interim financial statements of S[4] Capital plc for the 6 month period ended 30 June 2021 (the "period").

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

What we have reviewed

The interim financial statements comprise:

- the unaudited consolidated interim balance sheet as at 30 June 2021;
- the unaudited consolidated interim statement of profit or loss and unaudited consolidated interim statement of comprehensive income for the period then ended;
- the unaudited consolidated interim statement of cash flows for the period then ended;
- the unaudited consolidated interim statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the unaudited consolidated interim financial statements of S[4] Capital plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The unaudited consolidated interim financial statements, including the interim financial statements, are the responsibility of, and has been approved by the directors. The directors are responsible for preparing the unaudited consolidated interim financial statements in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

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

What a review of interim financial statements involves

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

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

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

PricewaterhouseCoopers LLP
Chartered Accountants
London
13 September 2021