

UNAUDITED SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2021

All figures in Ksh'000	H1 2021	H1 2020
Continuing operations		
Net sales	1,107,677	1,089,337
Operating profit / (loss) before provisions for bad debts	8,459	(267,513)
Provisions for bad and doubtful debts	(25,362)	(328,820)
Interest income (net of expense)	99,155	39,058
Other income	8,572	8,671
Foreign exchange (loss) / gains	(8,332)	31,523
Profit / (loss) before tax	82,492	(517,081)
Tax charge	(51,073)	(14,939)
Profit / (loss) for the period from continuing operations	31,419	(532,020)
Discontinued operations		
(Loss) / profit for the period from discontinued operations	-	(126,682)
Net gain on disposal of discontinued operations after tax	-	2,242,028
Profit for the period	31,419	1,583,326
Exchange difference on translating foreign operations	7,846	(106,423)
Total comprehensive income for the period	39,265	1,476,903
Profit / (loss) attributable to:		
Shareholders of the holding company	41,515	1,627,155
Non-controlling interests	(10,096)	(43,829)
	31,419	1,583,326
Total comprehensive income / (loss) attributable to:		
Shareholders of the holding company	50,511	1,543,097
Non-controlling interests	(11,246)	(66,194)
	39,265	1,476,903
Basic and diluted earnings per share (Ksh)	0.10	3.77
Number of shares (in thousands)	432,156	432,156

UNAUDITED SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

All figures in Ksh'000	30 June 2021	30 June 2020
ASSETS		
Non-current assets	962,083	1,967,512
Other current assets	4,156,762	3,418,865
Cash, bank and deposit balances	3,645,229	7,439,976
TOTAL ASSETS	8,764,074	12,826,353
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	432,156	432,156
Share premium	9,155,166	9,155,166
(Accumulated deficit) / revenue reserve	(3,984,629)	708,516
Translation deficit	(326,403)	(514,281)
Equity attributable to shareholders of the holding company	5,276,290	9,781,557
Non-controlling interests	20,650	80,785
Total equity	5,296,940	9,862,342
Non-current liabilities	138,019	218,395
Current liabilities	3,329,115	2,745,616
TOTAL EQUITY AND LIABILITIES	8,764,074	12,826,353

UNAUDITED SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2021

All figures in Ksh'000	Share capital	Share premium	(Accumulated deficit)/ revenue reserve	Translation deficit	Non-controlling interests	Total
At 1 January 2020	432,156	9,155,166	(2,128,152)	(430,223)	163,625	7,192,572
Disposal of subsidiaries	-	-	1,209,513	-	-	1,209,513
Disposal of non-controlling interests	-	-	-	-	(16,646)	(16,646)
Profit/(loss) for the period	-	-	1,627,155	-	(43,829)	1,583,326
Other comprehensive loss	-	-	-	(84,058)	(22,365)	(106,423)
At 30 June 2020	432,156	9,155,166	708,516	(514,281)	80,785	9,862,342
At 1 January 2021	432,156	9,155,166	(4,026,144)	(335,399)	41,742	5,267,521
Profit/(loss) for the period	-	-	41,515	-	(10,096)	31,419
Other comprehensive income (loss)	-	-	-	8,996	(1,150)	7,846
Dividend declared - 2021	-	-	-	-	(9,846)	(9,846)
At 30 June 2021	432,156	9,155,166	(3,984,629)	(326,403)	20,650	5,296,940

UNAUDITED SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2021

All figures in Ksh'000	H1 2021	H1 2020
Cash used in from operating activities	(180,493)	(70,076)
Tax paid on operating income	(98,247)	(144,783)
Net cash used in operating activities	(278,740)	(214,859)
Net cash generated from investing activities	1,650,751	5,569,204
Net cash used in financing activities	(37,559)	(35,217)
Net increase in cash and cash equivalents	1,334,452	5,319,128
Cash and cash equivalents at the beginning of the period	1,854,860	2,133,713
Net cash during the period	1,334,452	5,319,128
Effect of fluctuation in exchange rates	4,251	(12,865)
Cash and cash equivalents at end of the period	3,193,563	7,439,976

Management observations

The Board of Directors hereby announce the unaudited results of the Group for the six month period ended 30 June 2021.

Results

Continuing operations

Net sales during the period increased to Ksh 1,107m, a 2% increase compared to the prior period. Operating profit before provisions for doubtful debts increased by Ksh 276m mainly due to lower staff costs. Net interest income increased to Ksh 99m, principally due to the higher bank deposit balances following the sale of the Kantar businesses in 2020. The Group profit from continuing operations for the 6 months ended 30 June 2021 was Ksh 31m which compares to a loss of Ksh 532m in the prior period.

Discontinued operations

The results for 2020 included an exceptional gain of Ksh 2,242m arising on the disposal of the Kantar businesses.

Financial Position

Cash, bank and deposit balances amounted to Ksh 3,645m at 30 June 2021, significantly below the balance at 30 June 2020 which included Ksh 4,339m

proceeds from the sale of Kantar businesses, which subsequently reduced as result of a special interim dividend of Ksh 3,431m declared in July 2020, with a consequent reduction in group revenue reserves.

Accounting policies

The accounting policies used in preparing these financials statements are consistent with those used for the Group's 2020 annual financial statements. As in the previous period, the half year results do not include results for five associates (Ocean Ogilvy Gabon, Ocean Central Africa, Ocean Burkina Faso, Ocean Afrique Occidentale and Ocean Conseil) using the equity method, which is due to the non-availability of the financial information from these associates. The company considers them as immaterial.

Other Matters

As announced earlier during 2021, and as noted in the audited financial statements for the year ended 31 December 2020, the Chief Executive Officer, Mr Bharat Thakrar and the Chief Finance Officer, Mr Satyabrata Das resigned on 23 March 2021 and 10 May 2021 respectively whilst the investigations were still ongoing into allegations of gross misconduct and possible offences in their capacity as senior executives and employees of the Company. Mr Thakrar and Mr Das were paid their normal salary and benefits up to the date of their resignation.

The Board is making progress in recruiting the Group CEO and Group CFO and will make announcements as soon as these appointments are made.

Dividends

The Board of Directors do not recommend an interim dividend.

Outlook for the rest of the year

The Directors expect the results for full year to 31 December 2021 from continuing operations to be better than those for 2020 despite the continued subdued economic environment, partially due to Covid 19, although the overall profit will be lower than in 2020 due to the impact of results from discontinued operations, particularly the gain realised from the disposal of Kantar businesses in 2020.

By order of the Board

Winnifred Jumba

Company Secretary

30 September 2021

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