

2024 HALF YEAR
FINANCIAL RESULTS

UNAUDITED SUMMARY CONSOLIDATED STATEMENT
OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE PERIOD ENDED 30 JUNE 2024

All figures in Ksh'000	H1 2024	H1 2023
Gross profit	972,336	1,059,589
Interest income (net of expense)	121,052	98,840
Other income	61,631	271
Operating and administrative expenses	(1,112,807)	(1,453,418)
Allowance for expected credit loss	2,571	5,839
Foreign exchange (loss) / gains	(250,988)	182,392
Loss before tax	(206,205)	(106,487)
Tax charge	(46,111)	(18,039)
Loss for the period	(252,316)	(124,526)
Exchange difference on translating foreign operations	(17,449)	(42,567)
Total comprehensive loss for the period	(269,765)	(167,093)
(Loss) / profit attributable to:		
Shareholders of the holding company	(247,721)	(129,634)
Non-controlling interests	(4,595)	5,108
	(252,316)	(124,526)
Total comprehensive (loss) / income attributable to:		
Shareholders of the holding company	(271,987)	(172,549)
Non - controlling interests	2,222	5,456
	(269,765)	(167,093)
Loss per share		
Basic and diluted (Ksh)	(0.57)	(0.30)
Number of shares (in thousands)	432,156	432,156

UNAUDITED SUMMARY CONSOLIDATED STATEMENT OF
FINANCIAL POSITION AS AT 30 JUNE 2024

All figures in Ksh'000	30 June 2024	30 June 2023
ASSETS		
Non-current assets	907,547	941,103
Other current assets	3,488,074	3,797,251
Cash, bank and deposit balances	2,856,908	3,472,223
TOTAL ASSETS	7,252,529	8,210,577
EQUITY AND LIABILITIES <i>Capital and reserves</i>		
Share capital	432,156	432,156
Share premium	4,436,532	4,436,532
Merger reserve	1,457,248	1,457,248
Accumulated deficit	(804,308)	(852,311)
Translation deficit	(457,699)	(456,869)
Equity attributable to shareholders of the holding company	5,063,929	5,016,756
Non - controlling interests	(115,800)	(13,139)
Total equity	4,948,129	5,003,617
Non - current liabilities	22,946	45,095
Current liabilities	2,281,454	3,161,865
TOTAL EQUITY AND LIABILITIES	7,252,529	8,210,577

UNAUDITED SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2024

All figures in Ksh'000	Share capital	Share premium	Merger reserve	Accumulated deficit	Translation deficit	Non - controlling interests	Total
At 1 January 2023	432,156	4,436,532	1,457,248	(722,677)	(413,954)	(16,165)	5,173,140
Loss for the period	-	-	-	(129,634)	-	5,108	(124,526)
Other comprehensive loss	-	-	-	-	(42,915)	348	(42,567)
Dividend declared - 2023	-	-	-	-	-	(2,430)	(2,430)
At 30 June 2023	432,156	4,436,532	1,457,248	(852,311)	(456,869)	(13,139)	5,003,617
At 1 January 2024	432,156	4,436,532	1,457,248	(556,587)	(433,433)	(61,441)	5,274,475
Loss for the period	-	-	-	(247,721)	-	(4,595)	(252,316)
Other comprehensive loss	-	-	-	-	(24,266)	6,817	(17,449)
Dividend declared - 2024	-	-	-	-	-	(56,581)	(56,581)
At 30 June 2024	432,156	4,436,532	1,457,248	(804,308)	(457,699)	(115,800)	4,948,129

UNAUDITED SUMMARY CONSOLIDATED STATEMENT OF
CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2024

All figures in Ksh'000	H1 2024	H1 2023
Cash used in operating activities	(304,072)	(11,074)
Tax paid on operating income	(188,764)	(146,498)
Net cash used in operating activities	(492,836)	(157,572)
Net cash generated from investing activities	1,455,435	2,287,768
Net cash used in financing activities	(92,823)	(112,951)
Net increase in cash and cash equivalents	869,776	2,017,245
Cash and cash equivalents at the beginning of the period	1,164,963	946,188
Net increase during the period	869,776	2,017,245
Effect of fluctuations in exchange rates	5,094	(65,649)
Cash and cash equivalents at end of the period	2,039,833	2,897,784

MANAGEMENT OBSERVATIONS

The Board of Directors announces the unaudited results of the Group for the six-month period ending June 30, 2024.

Our gross profit has decreased by 8%, influenced by macroeconomic factors and a challenging trading environment in several key markets, where clients have reduced their marketing budgets.

Despite the pressure on revenue, the Company has successfully managed its cost base, with operating and administrative expenses decreasing by Ksh 341 million, primarily due to reductions in staff costs.

The financial results were also negatively affected by the strengthening of the Kenyan shilling, which led to an increase in foreign exchange losses compared to the foreign exchange gains experienced in the previous year. As a result, the loss for the year has increased by Ksh 128 million, largely due to the aforementioned foreign exchange losses. The Company is actively exploring various instruments

to mitigate the risks associated with fluctuating foreign exchange rates.

During this period, several initiatives were introduced, including the establishment of Digital, Technology, and Influence Centers of Excellence aimed at enhancing performance. Additionally, we are reviewing the structure of the loss-making segments of the business to facilitate their return to growth. Management expects to see the full impact of these actions by 2025.

As we focus on the future, we remain fully cognizant of the challenges and opportunities within the macroeconomic environment and as a Board, we are confident that through prudent management, we can effectively navigate these risks while continuing to support our clients growth aspirations, which in turn will drive our own growth.

ACCOUNTING POLICIES

The accounting policies used in preparing these summary financials statements are consistent with those used for the Group's 2023 annual financial statements.

DIVIDEND

The Board of Directors does not recommend an interim dividend.

OUTLOOK FOR THE REST OF THE YEAR

The prevailing economic headwinds across many of the markets we operate in were further aggravated by the social protests in Kenya, which lead to caution in spend and budget holds by many clients. Against this backdrop the company remains cautious on the quantum of improvement to be achieved in the second half of the year.

By order of the Board

Winniefred Jumba
Company Secretary

23 August 2024