

**WPP SCANGROUP PLC****CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME FOR THE YEAR ENDED 31 DECEMBER 2019**

| <b>All figures in Sh'000</b>   | <b>2019</b>           | <b>2018</b>           |
|--|-----------------------|-----------------------|
| <b>Continuing operations</b>   |                       |                       |
| Billings   | 9,282,328             | 13,821,790            |
| Direct costs   | (6,409,491)           | (9,316,886)           |
| Revenue  | <u>2,872,837</u>      | <u>4,504,904</u>      |
| Interest income net of interest expense                              | 165,620               | 291,104               |
| Other income   | 30,901                | 31,559                |
| Share of (loss) / profit in associates                               | (2,222)               | 25,131                |
| Operating and administrative expenses                                | (2,742,291)           | (3,863,870)           |
| Impairment of investment in associates                               | -                     | (2,461)               |
| Impairment of goodwill   | -                     | (21,322)              |
| Foreign exchange losses  | (34,163)              | (5,157)               |
| Profit before tax  | <u>290,682</u>        | <u>959,888</u>        |
| Tax charge   | (131,890)             | (347,679)             |
| Profit for the year from continuing operations                       | <u>158,792</u>        | <u>612,209</u>        |
| <b>Discontinued operations</b>                                       |                       |                       |
| Profit for the year from discontinued operations                     | <u>332,617</u>        | <u>-</u>              |
| Profit for the year  | <u>491,409</u>        | <u>612,209</u>        |
| Other comprehensive loss   |                       |                       |
| <i>Items that may be reclassified subsequently to profit or loss</i> |                       |                       |
| Exchange difference on translating foreign operations                | (29,906)              | (97,120)              |
| Total comprehensive income for the year                              | <u><u>461,503</u></u> | <u><u>515,089</u></u> |
| Profit attributable to:  |                       |                       |
| Shareholders of the holding company                                  | 431,971               | 554,481               |
| Non-controlling interests  | <u>59,438</u>         | <u>57,728</u>         |
|  | <u><u>491,409</u></u> | <u><u>612,209</u></u> |
| Total comprehensive income attributable to:                          |                       |                       |
| Shareholders of the holding company                                  | 408,842               | 467,418               |
| Non-controlling interests  | <u>52,661</u>         | <u>47,671</u>         |
|  | <u><u>461,503</u></u> | <u><u>515,089</u></u> |
| <b>Earnings per share</b>  |                       |                       |
| From continuing operations   |                       |                       |
| Basic (Sh)   | 0.34                  | 0.55                  |
| Diluted (Sh)   | 0.34                  | 0.55                  |
| From continuing and discontinued operations                          |                       |                       |
| Basic (Sh)   | 1.00                  | 1.37                  |
| Diluted (Sh)   | 1.00                  | 1.37                  |

**SUMMARY OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2019 FOR CONTINUING AND DISCONTINUED OPERATIONS**

| All figures in Sh'000                   | Continuing operations |            | Discontinued operations |           | Total      |            |
|---|-----------------------|------------|-------------------------|-----------|------------|------------|
|   | 2019                  | 2018       | 2019                    | 2018      | 2019       | 2018       |
| Billings                                | 9,282,328             | 11,448,501 | 3,298,158               | 2,373,289 | 12,580,486 | 13,821,790 |
| Revenue                                 | 2,872,837             | 3,028,509  | 2,198,877               | 1,476,395 | 5,071,714  | 4,504,904  |
| Operating profit                        | 130,546               | 129,120    | 536,884                 | 511,914   | 667,430    | 641,034    |
| Foreign exchange losses                 | (34,163)              | (25,317)   | 9,207                   | 20,160    | (24,956)   | (5,157)    |
| Interest income net of interest expense | 165,620               | 280,522    | (3,566)                 | 10,582    | 162,054    | 291,104    |
| Other income (net of impairment)        | 28,679                | 30,477     | 1,956                   | 2,430     | 30,635     | 32,907     |
| Profit before tax                       | 290,682               | 414,802    | 544,481                 | 545,086   | 835,163    | 959,888    |
| Tax charge                              | (131,890)             | (168,312)  | (211,864)               | (179,367) | (343,754)  | (347,679)  |
| Profit for the year                     | 158,792               | 246,490    | 332,617                 | 365,719   | 491,409    | 612,209    |
| Profit attributable to:                 |                       |            |                         |           |            |            |
| Shareholders of the holding company     | 145,903               | 224,828    | 286,068                 | 329,653   | 431,971    | 554,481    |
| Non-controlling interests               | 12,889                | 21,662     | 46,549                  | 36,066    | 59,438     | 57,728     |
|   | 158,792               | 246,490    | 332,617                 | 365,719   | 491,409    | 612,209    |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

| All figures in Sh'000   | 31 December<br>2019      | 31 December<br>2018      |
|---|--------------------------|--------------------------|
| <b>ASSETS</b>   |                          |                          |
| <i>Non-current assets</i>   |                          |                          |
| Equipment   | 209,544                  | 361,613                  |
| Right-of-use assets   | 307,441                  | -                        |
| Investment in subsidiaries  | -                        | -                        |
| Investments in associates and other equity investment                   | 196,371                  | 197,781                  |
| Long term loans to related companies                                    | 409,644                  | 314,256                  |
| Deferred tax asset  | 631,392                  | 719,684                  |
| Goodwill  | 339,038                  | 1,590,913                |
|   | <u>2,093,430</u>         | <u>3,184,247</u>         |
| <i>Current assets</i>   |                          |                          |
| Trade and other receivables   | 3,618,865                | 5,637,216                |
| Work-in-progress  | 10,431                   | 73,960                   |
| Receivable from related parties   | 86,030                   | 263,300                  |
| Tax recoverable   | 735,455                  | 841,726                  |
| Cash, bank and deposit balances   | 2,133,713                | 4,424,749                |
|   | <u>6,584,494</u>         | <u>11,240,951</u>        |
| Assets classified as held for sale                                      | 4,125,249                | -                        |
|   | <u>10,709,743</u>        | <u>11,240,951</u>        |
| <b>TOTAL ASSETS</b>   | <b><u>12,803,173</u></b> | <b><u>14,425,198</u></b> |
| <b>EQUITY AND LIABILITIES</b>   |                          |                          |
| <i>Capital and reserves</i>   |                          |                          |
| Share capital   | 432,156                  | 432,156                  |
| Share premium   | 9,155,166                | 9,155,166                |
| (Accumulated deficit) / revenue reserve                                 | (2,128,152)              | (813,799)                |
| Translation deficit   | (430,223)                | (407,094)                |
| Equity attributable to shareholders of the holding company              | 7,028,947                | 8,366,429                |
| Non-controlling interests   | 163,625                  | 122,950                  |
| Total equity  | <u>7,192,572</u>         | <u>8,489,379</u>         |
| <i>Non-current liabilities</i>  |                          |                          |
| Deferred tax liability  | 34                       | 2,974                    |
| Lease liabilities   | 255,441                  | -                        |
| Loan payable to a related party   | -                        | 502,106                  |
|   | <u>255,475</u>           | <u>505,080</u>           |
| <i>Current liabilities</i>  |                          |                          |
| Trade and other payables  | 3,041,605                | 4,672,024                |
| Tax payable   | 87,813                   | 204,556                  |
| Payable to related parties  | 31,578                   | 540,104                  |
| Lease liabilities   | 61,330                   | -                        |
| Dividends payable   | 32,716                   | 14,055                   |
|   | <u>3,255,042</u>         | <u>5,430,739</u>         |
| Liabilities directly associated with assets classified as held for sale | 2,100,084                | -                        |
|   | <u>5,355,126</u>         | <u>5,430,739</u>         |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                     | <b><u>12,803,173</u></b> | <b><u>14,425,198</u></b> |

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019**

| All figures in Sh'000                             | Share capital  | Share premium    | (Accumulated deficit) / revenue reserve | Translation deficit | Attributable to share holders of the holding company | Non-controlling interests | Total            |
|---|----------------|------------------|---|---------------------|--|---------------------------|------------------|
| At 1 January 2018                                 | 378,865        | 8,281,817        | 508,141                                 | (320,031)           | 8,848,792  | 116,377                   | 8,965,169        |
| IFRS 9 day 1 transition adjustment (Note 21)      | -              | -                | (546,077)                               | -                   | (546,077)  | (5,946)                   | (552,023)        |
| Deferred tax on IFRS 9 day 1 adjustment (Note 19) | -              | -                | 163,318                                 | -                   | 163,318  | 1,669                     | 164,987          |
| Adjusted balance at 1 January 2018                | 378,865        | 8,281,817        | 125,382                                 | (320,031)           | 8,466,033  | 112,100                   | 8,578,133        |
| Shares issued                                     | 53,291         | 873,349          | -                                       | -                   | 926,640  | -                         | 926,640          |
| Profit for the year                               | -              | -                | 554,481                                 | -                   | 554,481  | 57,728                    | 612,209          |
| Acquisition of non-controlling interests          | -              | -                | (1,209,513)                             | -                   | (1,209,513)  | -                         | (1,209,513)      |
| Non-controlling interest acquired                 | -              | -                | -                                       | -                   | -  | (22,317)                  | (22,317)         |
| Other comprehensive income                        | -              | -                | -                                       | (87,063)            | (87,063)   | (10,057)                  | (97,120)         |
| Dividend declared - 2017                          | -              | -                | (284,149)                               | -                   | (284,149)  | (14,504)                  | (298,653)        |
| At 31 December 2018                               | <b>432,156</b> | <b>9,155,166</b> | <b>(813,799)</b>                        | <b>(407,094)</b>    | <b>8,366,429</b>                                     | <b>122,950</b>            | <b>8,489,379</b> |
| At 1 January 2019                                 | 432,156        | 9,155,166        | (813,799)                               | (407,094)           | 8,366,429  | 122,950                   | 8,489,379        |
| IFRS 16 day 1 transition adjustment (Note 5)      | -              | -                | (17,700)                                | -                   | (17,700)   | (2,546)                   | (20,246)         |
| Adjusted balance at 1 January 2019                | 432,156        | 9,155,166        | (831,499)                               | (407,094)           | 8,348,729  | 120,404                   | 8,469,133        |
| Profit for the year                               | -              | -                | 431,971                                 | -                   | 431,971  | 59,438                    | 491,409          |
| Other comprehensive loss                          | -              | -                | -                                       | (23,129)            | (23,129)   | (6,777)                   | (29,906)         |
| Dividend declared - 2018                          | -              | -                | (1,728,624)                             | -                   | (1,728,624)  | (9,440)                   | (1,738,064)      |
| At 31 December 2019                               | <b>432,156</b> | <b>9,155,166</b> | <b>(2,128,152)</b>                      | <b>(430,223)</b>    | <b>7,028,947</b>                                     | <b>163,625</b>            | <b>7,192,572</b> |

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019**

| <b>All figures in Sh'000</b>   | <b>2019</b>               | <b>2018</b>             |
|--|---------------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                            |                           |                         |
| Profit for the year  | 491,409                   | 612,209                 |
| Depreciation on equipment  | 128,649                   | 119,146                 |
| Depreciation of Right-of-use assets                                    | 69,281                    | -                       |
| Provision of bad and doubtful debts (net of reversals)                 | 96,282                    | (10,910)                |
| Interest expense   | 16,026                    | 14,030                  |
| Tax charge   | 343,754                   | 347,679                 |
| Interest on lease liabilities  | 22,441                    | -                       |
| Impairment of investment in associates                                 | -                         | 2,461                   |
| Share of loss / (profit) in associates                                 | 2,222                     | (25,131)                |
| Impairment of goodwill   | -                         | 21,322                  |
| Net exchange loss on long term loan to related companies               | 3,329                     | 10,952                  |
| Net loss / (gain) on sale of assets                                    | 7,425                     | (5,555)                 |
| Interest income  | (200,522)                 | (305,134)               |
| Dividend income  | -                         | -                       |
| <u>Working capital adjustments:</u>                                    |                           |                         |
| Decrease / (increase) in trade and other receivables                   | 877,459                   | 1,349,403               |
| Decrease / (increase) in work-in-progress                              | 63,529                    | 19,095                  |
| (Decrease) / increase in trade and other payables                      | (800,935)                 | (583,659)               |
| (Decrease) / increase in related party balances                        | 112,407                   | (194,758)               |
| Cash generated from operating activities after working capital changes | <u>1,232,756</u>          | <u>1,371,150</u>        |
| Tax paid on operating income   | <u>(597,582)</u>          | <u>(312,873)</u>        |
| Net cash generated from operating activities                           | <u><u>635,174</u></u>     | <u><u>1,058,277</u></u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                            |                           |                         |
| Purchase of equipment  | (164,056)                 | (71,144)                |
| Proceeds from sale of equipment  | 5,617                     | 19,742                  |
| Capital pending allotment refunded                                     | -                         | -                       |
| Dividend received  | -                         | -                       |
| Net cash obtained on acquisition                                       | -                         | 94,591                  |
| Payments made for acquisition of subsidiaries                          | -                         | -                       |
| Interest income received net of tax                                    | 203,733                   | 273,949                 |
| Net cash generated from investing activities                           | <u><u>45,294</u></u>      | <u><u>317,138</u></u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                            |                           |                         |
| Loans repaid from related company                                      | -                         | -                       |
| Loans advanced to a related companies                                  | (98,717)                  | -                       |
| Dividends paid including tax on dividend                               | (1,722,443)               | (299,459)               |
| Repayment of lease liabilities   | (88,468)                  | -                       |
| Interest paid  | (16,026)                  | (14,030)                |
| Net cash used in financing activities                                  | <u><u>(1,925,654)</u></u> | <u><u>(313,489)</u></u> |
| Net (decrease) / increase in cash and cash equivalents                 | <u><u>(1,245,186)</u></u> | <u><u>1,061,926</u></u> |
| <b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>                           |                           |                         |
| At the beginning of the year   | 4,377,820                 | 3,396,739               |
| Net (decrease) / increase during the year                              | (1,245,186)               | 1,061,926               |
| Effect of fluctuations in exchange rates                               | (12,371)                  | (80,845)                |
| Cash and cash equivalents reclassified as held for sale                | (996,319)                 | -                       |
| Cash and cash equivalents at end of the year                           | <u><u>2,123,944</u></u>   | <u><u>4,377,820</u></u> |