

## WPP PLC

### Notional cash pooling arrangements and net investment hedging in financial statements

WPP plc (“**WPP**” or the “**Company**”) announces that certain aspects of its financial statements for the years ended 31 December 2017, 31 December 2018 and 31 December 2019 were not fully in accordance with IAS 32 and IAS 39.

- The presentation of cash and overdrafts within notional cash pooling arrangements did not meet the requirements for offsetting in accordance with IAS 32 ‘*Financial Instruments: Presentation*’.
- Net investment hedging was inappropriately applied against certain foreign exchange exposures, where the relationship was either an ineligible hedging relationship under IFRS or insufficiently documented, such that the criteria to apply hedge accounting under IAS 39 ‘*Financial Instruments: Recognition and Measurement*’ were not met.

The adjustments arising from these items will have no impact on any of WPP’s headline measures, operating profit, net debt, net assets, net current liabilities or statement of cash flows. Details of the adjustments can be found in the Form 6-K which the Company has today (14 December 2020) filed with the U.S. Securities and Exchange Commission.

It is the Company’s intention to change its cash pooling arrangements during 2021 such that certain cash and overdrafts will be settled or offset, mitigating the impact of the above in future periods.

The Company has determined that it is appropriate to restate the previously issued financial statements included in its Annual Report on Form 20-F for the year ended 31 December 2019 and its report on Form 6-K for the six month period ended 30 June 2020, each of which was filed with the U.S. Securities and Exchange Commission, to comply with IAS 32 and IAS 39. The Company intends to present these updated financial statements in an amended Annual Report on Form 20-F and an amended report on Form 6-K as promptly as practicable.

A copy of the Form 6-K filed today (14 December 2020) with the U.S. Securities and Exchange Commission is available at [wpp.com/investors/financial\\_releases](http://wpp.com/investors/financial_releases) and has also been submitted to the National Storage Mechanism, where it will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

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## *Forward looking statements*

*This announcement includes statements and information that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Reform Act”). Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipates”, “believes”, “could”, “estimates”, “expects”, “intends”, “may”, “plans”, “potential”, “predicts”, “projects”, “should”, “will”, “would” or similar expressions. These forward-looking statements may include, among other things, statements regarding the Company’s expectations with respect to the nature and amount of any identified errors in its prior financial statements and the steps the Company intends to take in response thereto. As such, actual results or outcomes may differ materially from those discussed in the forward-looking statements. Important factors that may cause actual results to differ include but are not limited to discovery of information in addition to or different from the information on which such estimates and expectations are based. As a result of these matters, actual results may differ materially from those expressed or implied in the forward-looking statements made in the foregoing discussion. Factors that could affect the Company’s actual results include the timing of any restatement of the affected financial statements, the impact of such restatement on financing agreements to which members of the WPP group are party and other material agreements, and the extent of any weaknesses in the Company’s internal control over financial reporting. In addition, you should consider the risks described in Item 3D, captioned “Risk Factors”, in the Company’s Form 20-F for the year ended 31 December 2019 and any impacts of the COVID-19 pandemic which could also cause actual results to differ from forward-looking information. In light of these and other uncertainties, the forward-looking statements included in the oral or written public statements should not be regarded as a representation by the Company that the Company’s plans and objectives will be achieved.*

*Other than in accordance with its legal or regulatory obligations (including under the Market Abuse Regulation, the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), the Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. The reader should, however, consult any additional disclosures that the Company may make in any documents which it publishes and/or files with the U.S. Securities and Exchange Commission. All readers, wherever located, should take note of these disclosures. Accordingly, no assurance can be given that any particular expectation will be met and shareholders are cautioned not to place undue reliance on the forward-looking statements.*

*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 of the Company at that time.*