

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 KSh's'000	2020 KSh's'000
Revenue	5,587,628	5,322,483
Cost of sales	(4,202,600)	(3,552,410)
Gross profit	1,385,028	1,770,073
Net other income	119,220	1,128,173
Operating expenses	(1,635,141)	(1,508,950)
(Loss)/profit before depreciation, amortisation, impairment, Finance costs and taxes	(130,893)	1,389,296
Impairment losses	(74,206)	(278,021)
Depreciation and amortisation	(415,711)	(435,144)
Operating (loss)/ profit	(620,810)	676,131
Forex gains/(losses)	106,938	(543,308)
Interest expense	(1,072,150)	(1,131,097)
Net finance costs	(965,212)	(1,674,405)
Loss before income tax	(1,586,022)	(998,274)
Income tax expense	(95,532)	(617,250)
Loss for the year	(1,681,554)	(1,615,524)
Other comprehensive income		
<i>Items that will not be reclassified to profit and loss</i>		
Financial instruments at FVOCI-net change in fair value	(6,702)	(82,451)
Revaluation of property, plant and equipment	22,606	-
Re-measurement gain on retirement benefit plan	6,215	(1,593)
Deferred tax effect	(8,647)	478
	13,472	(83,566)
Exchange differences on translation of foreign subsidiaries	(146,403)	(90,085)
Total other comprehensive income net of income tax	(132,931)	(173,651)
Total comprehensive income for the year	(1,814,485)	(1,789,175)
Loss after tax is attributable to:		
Equity holders of the company	(1,553,539)	(1,193,347)
Non-controlling interest (NCI)	(128,015)	(422,177)
Loss for the year	(1,681,554)	(1,615,524)
Total comprehensive income for the year attributable to:		
Equity holders of the company	(1,654,731)	(1,451,576)
Non-controlling interest (NCI)	(159,754)	(337,599)
Total comprehensive income for the year	(1,814,485)	(1,789,175)
Basic and diluted earnings per share - KSh's	(4.14)	(3.18)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	2021 KSh's'000	2020 KSh's'000
ASSETS		
Non current assets		
Property, plant and equipment	3,776,273	4,029,788
Investment property	220,260	220,272
Right-of-use-assets	3,720,632	3,761,738
Intangible assets	68,539	69,529
Quoted investments	213	251
Unquoted investments	276,338	283,002
Deferred tax asset	65,910	95,717
	8,128,165	8,460,297
Current assets		
Inventory	1,230,821	965,518
Trade and other receivables	2,548,258	3,237,024
Contract Assets	543,379	332,282
Tax receivable	341,821	242,057
Asset held for Sale	124,618	121,108
Cash and cash equivalents	138,112	330,710
	4,927,009	5,228,699
TOTAL ASSETS	13,055,174	13,688,996
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	187,601	187,601
Share premium	1,873,089	1,873,089
Revenue reserves	(16,625,529)	(15,074,580)
Translation reserve	703,982	1,003,745
Fair value reserve	56,787	63,489
Revaluation reserve	2,517,248	2,314,565
Total equity attributable to equity holders of the company	(11,286,822)	(9,632,091)
Non-controlling interest (NCI)	516,156	675,910
Total equity	(10,770,666)	(8,956,181)
LIABILITIES		
Non current liabilities		
Deferred tax liability	785,347	878,761
Lease Liabilities	68,106	83,691
Liability for staff gratuity	64,879	52,375
Preference shares	1,381,499	1,213,502
Convertible bond	-	708,713
Long term loan	3,666,438	3,950,146
	5,966,269	6,887,188
Current liabilities		
Bank overdraft	25,661	14,931
Long term loan	5,831,568	4,393,637
Trade and other payables	8,172,489	8,551,411
Contract liabilities	25,403	27,005
Lease liability	10,446	44,389
Convertible bond	951,858	720,534
Shareholder loan	2,829,256	1,947,541
Tax payable	11,938	57,589
Unclaimed dividends	952	952
	17,859,571	15,757,989
Total liabilities	23,825,840	22,645,177
TOTAL EQUITY AND LIABILITIES	13,055,174	13,688,996

CONSOLIDATED STATEMENT OF CASHFLOWS AS AT 31 DECEMBER 2021

	2021 KSh's'000	2020 KSh's'000
Net cashflow from operating activities	(1,586,022)	(998,274)
Adjustment of non cash items	653,650	1,842,286
Operating cashflow before working capital changes	(932,372)	844,012
Working capital changes:		
Trade and other receivables	652,981	(1,313,592)
Contract assets	(211,097)	(184,607)
Inventories	(294,692)	38,939
Trade and other payables	(378,922)	214,380
Contract liabilities	(1,602)	(565,266)
Cash used in operation	(1,165,704)	(966,134)
Income tax paid	(257,818)	(3,605)
Net cash flows used in operating activities	(1,423,522)	(969,739)
Cashflow from investing activities		
Purchase of property, plant and equipment	(31,860)	(17,724)
Proceeds from disposal of property, plant and equipment	87,741	90,920
Net cashflow from investment activities	55,881	73,196
Cash flow from financing activities		
Proceeds from loans and borrowings	2,231,428	2,599,713
Repayment loans and borrowings	(1,077,205)	(1,671,865)
Shareholder loan proceeds	681,676	538,763
Lease interest paid	(15,525)	(16,965)
Partial settlement of convertible bond	(605,305)	(436,687)
Lease liability payments	(50,756)	(27,187)
Net cashflow from financing activities	1,164,313	985,772
Net increase in cash and cash equivalent	(203,328)	89,229
Net foreign exchange difference	-	1,061
Cash and cash equivalent as at 1 January	315,779	225,489
Cash and cash equivalent as at 31 December	112,451	315,779

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

Overview of FY2021 Performance

TransCentury PLC ("TC" or "Group") is pleased to announce its financial results for the year ended 31st December 2021. The Group recorded a 5% growth in revenue demonstrating steady growth despite the global challenges presented by the effect of the COVID-19 Pandemic. Our subsidiary businesses made great strides leveraging on the opportunities in the Power and Transport infrastructure sectors delivering strong organic growth. In the year, we saw a 3% growth in revenues at East African Cables Group and a 28% growth in AEA driven by quick interventions to address the market and production disruptions as well as innovations that led to new products being introduced in response to emerging market demands.

Driven by our four-step turnaround plan, which included debt reprofiling to match cashflows, we made remarkable progress in reduction of debt with the Group recording a 5% savings in finance expenses from prior year. In line with our strategy, continuous focus on capital allocation also led to 70% reduction in impairment costs. Adjusted for a write back in 2020, the year 2021 represents an operations driven improvement in our bottom line in tandem with our goal of sustainable long-term profitability.

Fund raising was also a key pillar to support orderbook execution, and we are pleased at the closing of the TC Rights Issue transaction in quarter one of 2023. We continue to make steady progress against the strategic actions, and we remain confident in the delivery of our financial targets.

Dividends

The Board does not recommend payment of a dividend.

Outlook

The 2021 results demonstrate steady growth as we endeavour to return the business back to profitability. Guided by our Ahidi +32% 2022-2025 strategy, our focus remains solving infrastructure challenges as we leverage on the enormous opportunities, we see in our focus sectors; Power, Transport, Water and Agriculture infrastructure. We have built an unrivalled platform, we have unmatched capacity in all our businesses as well as great expertise and reach across the East and Central Africa region. By successfully completing the TC Rights Issue process, we are now in our last pillar of our turnaround plan which will support accelerating achievement of our strategic objectives by further reducing debt and catalysing access to working capital for our operations.

The organic growth at TC is a testament to the strong business fundamentals and favorable results from the strategies the business has put in place. We will continue to deliver and further accelerate our transformation as we drive the business back to profitability.

The Board and Management is confident in TC ability to deliver long-term sustainable value for shareholders.

By Order of the Board
Virginia Ndunge
Company Secretary
19th May 2023

TRANSCENTURY PLC CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital KSh's '000	Share premium KSh's '000	Revaluation reserves KSh's '000	Translation reserve KSh's '000	Fair value reserve KSh's '000	Revenue reserves KSh's '000	Total KSh's'000	Non-controlling interest KSh's '000	Total KSh's'000
2021:									
Balance at 1 January 2021	187,601	1,873,089	2,314,565	1,003,745	63,489	(15,074,580)	(9,632,091)	675,910	(8,956,181)
Total comprehensive income for the year net of tax	-	-	-	-	-	(1,553,539)	(1,553,539)	(128,015)	(1,681,554)
Other comprehensive income									
Remeasurement of defined benefit Plan	-	-	-	-	-	3,700	3,700	2,515	6,215
Deferred tax on remeasurement	-	-	-	-	-	(1,110)	(1,110)	(755)	(1,865)
Revaluation of PPE net of deferred tax	-	-	21,341	-	-	-	21,341	1,265	22,606
Deferred tax on revaluation of PPE	-	-	(6,403)	-	-	-	(6,403)	(379)	(6,782)
Exchange differences on translation of foreign subs	-	-	-	(112,018)	-	-	(112,018)	(34,385)	(146,403)
Net change in FV of equity instruments at FVOCI	-	-	-	-	(6,702)	-	(6,702)	-	(6,702)
Transfer from revaluation reserves	-	-	187,745	(187,745)	-	-	-	-	-
Total other comprehensive income	-	-	202,683	(299,763)	(6,702)	2,590	(101,192)	(31,739)	(132,931)
Total comprehensive income	-	-	202,683	(299,763)	(6,702)	(1,550,949)	(1,654,731)	(159,754)	(1,814,485)
Balance at 31 December 2021	187,601	1,873,089	2,517,248	703,982	56,787	(16,625,529)	(11,286,822)	516,156	(10,770,666)

TRANSCENTURY PLC CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital KSh's '000	Share premium KSh's '000	Revaluation reserves KSh's '000	Translation reserve KSh's '000	Fair value reserve KSh's '000	Revenue reserves KSh's '000	Total KSh's'000	Non-controlling interest KSh's '000	Total KSh's'000
2020:									
Balance at 1 January 2020	187,601	1,873,089	2,412,764	1,208,295	145,940	(13,405,520)	(7,577,831)	443,097	(7,134,734)
Total comprehensive income for the year net of tax	-	-	-	-	-	(1,193,347)	(1,193,347)	(422,177)	(1,615,524)
Other comprehensive income									
Remeasurement of defined benefit plan	-	-	-	-	-	(1,089)	(1,089)	(504)	(1,593)
Deferred tax on remeasurement	-	-	-	-	-	327	327	151	478
Exchange differences	-	-	-	(175,016)	-	-	(175,016)	84,931	(90,085)
Net change in FV of equity instruments at FVOCI	-	-	-	-	(82,451)	-	(82,451)	-	(82,451)
Transfer from revaluation reserves	-	-	(98,199)	(30,167)	-	128,366	-	-	-
Total other comprehensive income	-	-	(98,199)	(205,183)	(82,451)	127,604	(258,229)	84,578	(173,651)
Total comprehensive income	-	-	(98,199)	(205,183)	(82,451)	(1,065,743)	(1,451,576)	(337,599)	(1,789,175)
Transactions with owners of the Company									
Transfer from Non-controlling interest (NCI)	-	-	-	633	-	(603,317)	(602,684)	570,412	(32,272)
Total transactions with owners of the company	-	-	-	633	-	(603,317)	(602,684)	570,412	(32,272)
Balance at 31 December 2020	187,601	1,873,089	2,314,565	1,003,745	63,489	(15,074,580)	(9,632,091)	675,910	(8,956,181)

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2021, the summary consolidated statement of profit or loss and other comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year then ended, and related notes are derived from the audited consolidated financial statements of TransCentury Plc for the year ended 31 December 2021.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the Kenyan Companies Act, 2015 and the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002.

Summary consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. Reading the summary consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and our report thereon.

The audited consolidated financial statements and our report thereon.

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 11 May 2023. That report also includes:

- A material uncertainty related to Going concern draws attention to Note 2(f) to the consolidated and separate financial statements, which indicates that during the year ended 31 December 2021, the Group and Company incurred a loss of KSh's 1,682 million and KSh's 1,222 million respectively and as of that date, the Group's and Company's current liabilities exceeded its current assets by KSh's 12,933 million and KSh's 5,766 million respectively and the Group's and Company's total liabilities exceeded their total assets by KSh's 10,771 million and KSh's 2,435 million respectively. In addition, as

at 31 December 2021, the Group and Company had outstanding loans of KSh's 3,990 million and KSh's 3,326 million respectively for which they had breached the loan covenants with the lenders. As stated in Note 2(f), these events, or conditions, along with other matters as set forth in Note 2(f), indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern.

- The communication of other key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Directors' responsibility for the summary consolidated financial statements.

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with Kenyan Companies Act, 2015 and the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002

Auditors' responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements

The Engagement Partner responsible for the audit resulting in this Report of the independent auditor on the summary consolidated financial statements is CPA Elvis Ogeto- Practising Certificate No. 2303

For and behalf of RSM Eastern Africa LLP
Certified Public Accountants
Nairobi
19th May 2023