TRANSCENTURY PLC REPORTS A 34% REVENUE GROWTH DRIVEN BY IMPRESSIVE PERFORMANCE IN SUBSIDIARIES AND CALLS FOR RIGHTS ISSUE

- *Two subsidiaries, Tanelec Limited and AEA Limited reported a 56.8% and 89.7% revenue growth respectively.*
- *Call for Rights Issue on the back of increased shareholder interest in participating in a fundraising process to support turnaround. Rights Issue to be tabled in upcoming AGM.*
- *Delay in releasing 2019 accounts is as a result of significant ongoing restructuring in line with strategic plan impacting on reporting timelines due to statutory and legal processes that needed to be accommodated in the audit process.*

Nairobi, Kenya: 14th May 2021: TransCentury PLC **("TC" or" Group")** has reported a 34% revenue growth for the year ended December 31st, 2019 driven by impressive performance especially in two of its subsidiaries.

The two subsidiary businesses Tanelec Limited and AEA Limited reported 56.8% and 89.7% revenue growth respectively.

The performance in both subsidiaries is underpinned by a robust orderbook, successful debt re-profiling freeing up operating cashflows and innovative working capital financing accelerating execution.

Tanelec Limited, headquartered in Arusha, Tanzania, is the leading manufacturer and distributor of transformers in the region while AEA Limited, headquartered in Nairobi, Kenya, provides solutions that enhance infrastructure efficiency and sustainability across the region.

In addition, the Group continued to create enormous commercial opportunities in line with its strategic plan through diversification of products, services, and geographical reach. The gains made have resulted in the Group returning to a positive operating profit.

Furthermore, significant progress in debt restructure has provided the businesses with the opportunity to access the much-needed working capital. Since 2016 the Group has reduced 40% of commercial debt, increased debt tenure with most tenures falling between 5-10 years and reduced debt service cashflow.

The progress made in restructuring debt has allowed the businesses in the Group to redirect more of the operating cash to fund the working capital and results can already be seen in the top line.

On the other hand, through increased efficiency and decisive actions to safeguard value by restructuring non-performing businesses, the Group has significantly reduced operating expenses with a 19.5% reduction in 2019 and upto 46% since 2016. However, as a result of the decision to restructure non-performing entities, there was a one-off impairment loss of Kshs 2.8billion related to goodwill carried in one of the scaled down businesses, without which the Group would have achieved a positive Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)

Despite the significant one off non-operating impairment loss, the Group reduced the loss before tax by 12.9% with the loss after tax declining by 12.4%.

While releasing the results, The Group Chief Executive Officer Mr. Nganga Njiinu said, "***The aggressive top line growth despite scaling down in some of the businesses, confirms that TC capital re-allocation strategy and focus on key levers in the turnaround plan is bearing fruit."***

"In 2019, we strategically scaled down operations in some of our portfolio businesses whose operating environment was incongruent with TC strategy and not supportive of the turnaround" added Mr. Njiinu

Most importantly the restructuring we have undertaken allow us to go to the next level of balance sheet restructure and clean up to reverse significant accrued liabilities linked to non-operating entities and special purpose vehicles (SPV's) which will substantially improve our balance sheet.

Rights Issue

The priority now and going forward is to secure the right funding for the Group and in line with this the Group will be commencing a Rights Issue process in the upcoming shareholder meeting scheduled for 10th June 2021. The Rights Issue has come from the interest expressed by the shareholders to participate in a fundraising transaction. Proposed Rights Issue will be on the basis of five (5) new shares for every one (1) ordinary share held. Details of the Rights Issue to follow shareholder and regulatory approvals.

TC 2020 performance outlook

The Group's performance in the 1st half of 2020 was impacted by the effects of COVID-19 pandemic which disrupted demand and supply chains globally, resulting in a 21% decline in revenue as compared to the same period in 2019. On the other hand, the Group continued to deliver on its commitment to enhance efficiencies by recording a 20% savings in operating expenses in line with our strategic plan.

In the second half of 2020, our businesses however demonstrated resilience and responded with innovation as well as adopting to the changes in the market delivery pointing to very strong results.

While commenting on the effects of the pandemic, Njiinu added. ***"We saw a strong rebound in the second half of the year that will substantially reverse the impact of the pandemic on the first half of the year,***"

For the last 4 years, TC has focused on a four (4) pronged turnaround plan that has aimed at; Delivering commercial opportunities, debt reprofiling to match cashflows, fundraising to unlock growth and accelerating execution of emerging opportunities.

"Our focus now is on the fundraising pillar as we are comfortable that we have sufficiently prepared the business to receive funding," added Mr. Njiinu.

The Group closed 2020 with a confirmed order book of Kshs 14billion and, hence, the focus to raise funds and execute on orderbook.

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About TC

Transcentury PLC is a Kenyan headquartered investment Group with an infrastructure focus and operations across East, Central & Southern Africa. TransCentury listed by introduction in the NSE. TC has expertise and proven capability in manufacturing, engineering, construction, logistics and provision of technology enabled mission critical solutions for industry, utilities, transport, and construction industry.

The Group subsidiaries include East African Cables, Civicon Ltd, AEA Ltd, Tanelec Ltd (based in Arusha, Tanzania) and Kewberg cables and braids (based in South Africa).

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