

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 KShs'000	2021 KShs'000
Revenue	5,735,750	5,587,628
Cost of sales	(4,413,979)	(4,202,600)
Gross profit	1,321,771	1,385,028
Net other income	99,053	119,220
Operating expenses	(1,514,986)	(1,635,141)
Loss before depreciation, amortisation, impairment, costs and taxes	(94,162)	(130,893)
Impairment losses	(456,037)	(74,206)
Depreciation and amortisation	(333,636)	(415,711)
Operating loss	(883,835)	(620,810)
Forex (losses)/gains	(436,551)	106,938
Finance costs	(1,379,737)	(1,072,150)
Net finance costs	(1,816,288)	(965,212)
Loss before income tax	(2,700,123)	(1,586,022)
Income tax charge	(75,675)	(95,532)
Loss for the year	(2,775,798)	(1,681,554)
Other comprehensive income		
Financial instruments at FVOCI-net changes in fair value	(97,437)	(6,702)
Revaluation of property, plant and equipment (PPE)	(80,879)	22,606
Re-measurement gain on defined benefit plan	7,768	6,215
Deferred tax effect	24,999	(8,647)
	(145,549)	13,472
Exchange differences on translation of foreign subsidiaries	1,814,853	(146,403)
Total comprehensive income/(loss) net of income tax	1,669,304	(132,931)
Total comprehensive loss for the year	(1,106,494)	(1,814,485)
Loss after tax is attributable to:		
Equity holders of the company	(2,468,527)	(1,553,540)
Non-controlling interest	(307,271)	(128,014)
Loss for the year	(2,775,798)	(1,681,554)
Total comprehensive income for the year attributable to:		
Equity holders of the company	(918,776)	(1,654,731)
Non-controlling interest	(187,718)	(159,754)
Total comprehensive loss for the year	(1,106,494)	(1,814,485)
Basic and diluted earnings per share - KShs	(6.58)	(4.14)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	2022 KShs'000	2021 KShs'000
ASSETS		
Non-current assets	7,870,412	8,128,165
Current assets	4,636,690	4,927,009
TOTAL ASSETS	12,507,102	13,055,174
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	187,601	187,601
Share premium	1,873,089	1,873,089
Revenue reserves	(14,612,220)	(16,625,529)
Translation reserve	(2,115,961)	703,981
Fair value reserve	(40,650)	56,788
Revaluation reserve	2,502,544	2,517,248
Non-controlling interest	328,437	516,156
Non-current liabilities	5,006,095	5,966,269
Current liabilities	19,378,167	17,859,571
TOTAL EQUITY AND LIABILITIES	12,507,102	13,055,174

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 KShs'000	2021 KShs'000
Cash used in operations	(485,261)	(1,165,704)
Income tax paid	(106,042)	(257,818)
Net cash flows used in operating activities	(591,303)	(1,423,522)
Net cash flows from investing activities	182,671	55,881
Net cash flows from financing activities	406,386	1,164,313
Net decrease in cash and cash equivalents	(2,246)	(203,328)
Cash and cash equivalents at beginning of the year	112,451	315,779
Cash and cash equivalents at 31 December	110,205	112,451

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital KShs'000	Share premium KShs'000	Revenue and other reserves KShs'000	Non-controlling interest KShs'000	Total equity KShs'000
At 1 January 2022	187,601	1,873,089	(13,347,512)	516,156	(10,770,666)
Loss for the year	-	-	(2,468,527)	(307,271)	(2,775,798)
Total other comprehensive income	-	-	1,549,752	119,552	1,669,304
At 31 December 2022	187,601	1,873,089	(14,266,287)	328,437	(11,877,160)

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital KShs'000	Share premium KShs'000	Revenue and other reserves KShs'000	Non-controlling interest KShs'000	Total equity KShs'000
At 1 January 2021	187,601	1,873,089	(11,692,781)	675,910	(8,956,181)
Loss for the year	-	-	(1,553,539)	(128,015)	(1,681,554)
Total other comprehensive income	-	-	(101,192)	(31,739)	(132,931)
At 31 December 2021	187,601	1,873,089	(13,347,512)	516,156	(10,770,666)

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

Overview of FY2022 Performance

TransCentury PLC ("TC" or "Group") is pleased to announce its financial results for the year ended 31 December 2022. The Group continued with its steady and consistent revenue growth of 3% (Compounded annual growth of 8% every year for the last 4 years). Our subsidiary businesses posted impressive growth, with East African Cables booking a 41% growth while Tanelec, the transformer manufacturing business, grew revenues by 7%. This growth is attributed to innovative funding structures and diversification into new markets, such as Mozambique, for the Transformer business. In addition, innovation played a vital role as businesses introduced new products in response to emerging market demands.

In the year under review the Group booked increased impairment costs due to additional provisions as part of IFRS 9 requirement, while the increased finance costs and forex losses were as a result of high interest rates and weakening shilling. These factors contributed to the Group's loss position despite the steady growth in the topline.

The commitment to sustainable cost management practices and improved operating efficiencies across the Group saw a 7% operating expense savings. Operationally, the Group continues to record a positive trajectory.

Dividends

The Board does not recommend payment of dividends.

Reporting Cycle

The Group has been working diligently towards returning to regular reporting cycles. This has however been impacted by a significant restructuring process, in addition to a litigation development in the reporting year re: receivership threat, that inadvertently led to further statutory and audit procedures that needed to be accommodated in the reporting process. We deeply regret the inconvenience this delay has caused and are fully committed to returning to our normal reporting schedule within the year. We are working to resolve the issue, and we appreciate your patience and understanding.

Strategic Focus

The Group is guided by a robust strategic plan Ahidi +32% 2022-2025, whose focus remains on solving infrastructure challenges as we leverage the enormous opportunities we see in our focus sectors, power, transport, water and agriculture infrastructure. We have built an unrivalled platform, unparalleled capacity in all our businesses, and great expertise and reach across the East and Central Africa region.

We continue implementing prudent financial stewardship, including better working capital management to support revenue growth and ensure that it aligns with project execution capability.

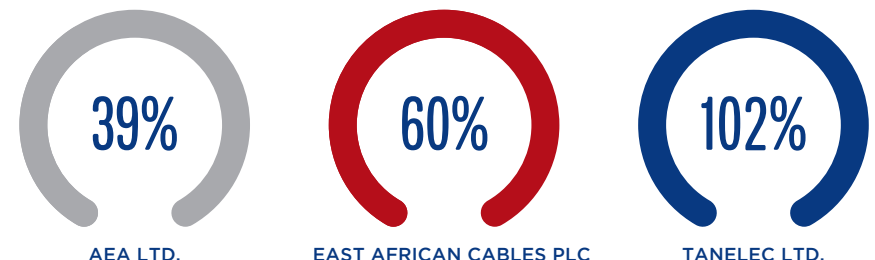
By Order of the Board

Virginia Ndunde
Company Secretary
31 May 2024

2022 GROUP FINANCIAL HIGHLIGHTS



4-YEAR (2018-2022) STEADY REVENUE GROWTH ACROSS THE GROUP



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 2022, 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 2022. 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 31 May 2024. 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 2022, the Group and Company incurred a loss of KShs 2,776 million and KShs 1,219 million respectively and as of that date, the Group's and Company's current liabilities exceeded its current assets by KShs 14,742 million and KShs 7,065 million respectively and the Group's and Company's total liabilities exceeded their total assets by KShs 11,877 million and KShs 3,285 million respectively. In addition, as at 31 December 2022, the Group and Company had outstanding loans of KShs 4,184 million and KShs 3,990 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 - Practicing Certificate No. 2303

For and behalf of RSM Eastern Africa LLP
Certified Public Accountants
Nairobi
31 May 2024