

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 KShs'000	2019 KShs'000
Revenue	5,322,483	5,703,904
Cost of sales	(3,552,410)	(3,882,786)
<b>Gross profit</b>	<b>1,770,073</b>	<b>1,821,118</b>
Net other income	1,128,173	1,505,523
Operating expenses	(1,508,950)	(1,804,832)
<b>Profit before depreciation, amortisation , impairment, finance costs and taxes</b>	<b>1,389,296</b>	<b>1,521,809</b>
Impairment losses	(278,021)	(3,175,300)
Depreciation and amortisation	(435,144)	(468,482)
<b>Operating Profit/loss</b>	<b>676,131</b>	<b>(2,121,973)</b>
Forex losses	(543,308)	(106,210)
Interest expenses	(1,131,097)	(957,260)
Net finance costs	(1,674,405)	(1,063,470)
<b>Loss before income tax</b>	<b>(998,274)</b>	<b>(3,185,443)</b>
Income tax expense	(617,250)	(750,086)
<b>Loss for the year</b>	<b>(1,615,524)</b>	<b>(3,935,529)</b>
<b>Other comprehensive income</b>		
<i>Item that will not be reclassified to profit or loss</i>		
Financial instruments at FVOCI – net change in fair value	(82,451)	52,689
Re-measurement gain on retirement benefit plan	(1,593)	3,482
Deferred tax effect	478	(1,045)
	<b>(83,566)</b>	<b>55,126</b>
<b>Items that are or may be reclassified to profit or loss</b>		
Exchange differences on translation of foreign subsidiaries	(90,083)	50,255
<b>Other comprehensive income net of income tax</b>	<b>(173,649)</b>	<b>105,381</b>
<b>Total comprehensive income for the year</b>	<b>(1,789,173)</b>	<b>(3,830,148)</b>
<b>Loss after tax is attributable to:</b>		
Equity holders of the company	(1,193,347)	(3,979,470)
Non-controlling interest (NCI)	(422,177)	43,941
<b>Loss for the year</b>	<b>(1,615,524)</b>	<b>(3,935,529)</b>
<b>Total comprehensive income for the year attributable to:</b>		
Equity holders of the company	(1,451,576)	(3,897,282)
Non-controlling interest (NCI)	(337,597)	67,134
<b>Total comprehensive income for the year</b>	<b>(1,789,173)</b>	<b>(3,830,148)</b>
<b>Basic and diluted earnings per share - (KShs)</b>	<b>(3.18)</b>	<b>(10.61)</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020**

	2020 KShs'000	2019 KShs'000
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	4,029,788	4,416,670
Investment property	220,272	220,291
Right-of-use-assets	3,761,738	3,598,935
Intangible assets	69,529	69,593
Quoted investments	251	240
Unquoted investments	283,002	365,534
Deferred tax asset	95,717	134,711
	<b>8,460,297</b>	<b>8,805,974</b>
<b>Current assets</b>		
Inventory	965,518	1,004,457
Trade and other receivables	3,237,024	2,191,618
Contract assets	332,282	147,675
Tax receivable	242,057	438,224
Asset held for sale	121,108	122,529
Cash and cash equivalents	330,710	296,007
	<b>5,228,699</b>	<b>4,200,510</b>
<b>TOTAL ASSETS</b>	<b>13,688,996</b>	<b>13,006,484</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	187,601	187,601
Share premium	1,873,089	1,873,089
Revenue reserves	(15,074,580)	(13,405,520)
Translation reserve	1,003,745	1,208,295
Available-for-sale reserve	63,489	145,940
Revaluation reserve	2,314,565	2,412,764
<b>Total equity attributable to equity holders of the company</b>	<b>(9,632,091)</b>	<b>(7,577,831)</b>
Non-controlling interest (NCI)	675,910	443,097
<b>Total equity</b>	<b>(8,956,181)</b>	<b>(7,134,734)</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liability	878,761	614,057
Leasehold liabilities ROU	83,691	10,978
Provision for staff gratuity	52,375	42,607
Redeemable preference shares	1,213,502	1,015,458
Convertible bond	708,713	-
Long term loan	3,950,146	3,360,083
	<b>6,887,188</b>	<b>5,043,183</b>
<b>Current liabilities</b>		
Bank overdraft	14,931	70,518
Long term loan	4,393,637	4,055,852
Trade and other payables	8,551,411	7,381,386
Contract liabilities	27,005	592,271
Convertible bond	720,534	1,623,338
Shareholder loan	1,947,541	1,224,883
Tax payable	57,589	140,502
Lease liabilities	44,389	8,333
Unclaimed dividends	952	952
	<b>15,757,989</b>	<b>15,098,035</b>
<b>Total liabilities</b>	<b>22,645,177</b>	<b>20,141,218</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13,688,996</b>	<b>13,006,484</b>

**CONSOLIDATED STATEMENT OF CASHFLOWS AS AT 31 DECEMBER 2020**

	2020 KShs'000	2019 KShs'000
Net cashflow from operating activities	(998,274)	(3,185,443)
Adjustment of non cash items	1,842,286	2,574,359
<b>Operating cash flow before working capital changes</b>	<b>844,012</b>	<b>(611,084)</b>
<b>Working capital changes:</b>		
Trade and other receivables	(1,498,199)	(570,336)
Inventories	38,939	18,527
Trade and other payables	(350,886)	718,577
<b>Cash used in operation</b>	<b>(966,134)</b>	<b>(444,316)</b>
Income tax paid	(3,605)	(12,277)
Gratuity paid	-	(2,895)
<b>Net cash flows used in operating activities</b>	<b>(969,739)</b>	<b>(459,488)</b>
<b>Cashflow from investing activities</b>		
Purchase of property, plant and equipment	(17,724)	(63,874)
Proceeds from disposal of current assets held for sale	-	44,300
Proceeds from disposal of property, plant and equipment	90,920	45,846
<b>Net cashflow from investment activities</b>	<b>73,196</b>	<b>26,272</b>
<b>Cash flow from financing activities</b>		
Proceeds from loans and borrowings	2,599,713	2,520,656
Repayment loans and borrowings	(1,671,865)	(2,131,834)
Shareholder loan proceeds	538,763	504,963
Shareholder loan payments	-	(20,565)
Lease interest paid	(16,965)	(1,084)
Lease liability-additions	(27,187)	(1,867)
Partial settlement of convertible bond	(436,687)	(380,012)
<b>Net cashflow from financing activities</b>	<b>985,772</b>	<b>490,257</b>
Net increase in cash and cash equivalent	89,229	57,041
Net foreign exchange difference	1,061	18
Cash and cash equivalent as at 1 January	225,489	168,430
<b>Cash and cash equivalent as at 31 December</b>	<b>315,779</b>	<b>225,489</b>



## NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

### Overview of FY2020 Performance

TransCentury PLC ("TC" or "Group") is pleased to announce its financial results for the year ended 31st December 2020. The Group recorded a slight decline in revenue of 7% as a result of the unprecedented effects of the COVID-19 pandemic which disrupted demand and global supply chains. However, despite the challenges faced globally in 2020, the Group's businesses demonstrated unmatched resilience with our subsidiaries delivering strong organic growth, examples being 19% growth in revenues at East African Cables Kenya and 21% revenue growth in AEA driven by quick interventions to address the market and production disruptions as well as innovation that saw new products introduced in response to emerging market demands.

The Group recorded improved bottom line continuing the positive trajectory towards returning to profitability. In addition, the Group recorded a 16% saving in operating expenses from prior year as result of disciplined execution of initiatives including efficiency in production, route to market and delivery of projects. Prudent allocation of capital remains a key focus at TC and in 2020 we scaled down operations in markets whose macro environments were not conducive, and this will be a continuous process as we work towards growth and return to profitability.

### Dividends

The Board does not recommend payment of a dividend.

### Delay in release of results

For the last few years, TC has undergone a significant restructuring process that was aimed at stabilising the business and turning it back to profitability. The measures we have put that included debt reduction and strategically scaling down operations in some of our portfolio businesses whose operating environment was incongruent with TC strategy and return expectations, have significantly accelerated our turnaround, however, this has inadvertently impacted our financial reporting timelines due to statutory and legal processes that need to be accommodated in the audit process.

The delay in release of FY2020 results has subsequently delayed the financial results for the year ended 31st December 2021 which will be released later than scheduled. We are committed to getting back to the normal reporting schedule within the next reporting period.

### Outlook

2020 results demonstrate TC Group resilience and agility that drove the quick response to challenges faced in the year and subsequently resulting in minimal effect on Group revenues. We have made significant strides guided by the four-step plan that we unveiled in 2017 reducing debt and growing orderbook. We are now focussed on the last lever of the plan, fundraising, and post reporting period TC received an approval from the Capital Markets Authority to launch a Rights Issue transaction, the offer will be opened to all TC shareholders. Funds raised from the Rights Issue will go towards reducing Group debt and subsequently unlocking working capital for some of our operating businesses that have had constraints accessing funding.

TC focus remains solving infrastructure challenges across the entire infrastructure value chain where we have unrivalled capacity, experience, and expertise in manufacture of products that go into key infrastructure, construction of infrastructure, maintenance and enhancement of infrastructure efficiency as well as ownership of infrastructure assets. In addition, our focus market, Sub-Saharan Africa, continues to present a favourable environment for investment with better economic growth prospects that stood at 4.1% in 2021 compared to 3.3% global average. The region also continues to present good opportunities for our business due to the historical under penetration of key infrastructure with some sectors including access to clean water and basic sanitation which stand at 27% and 18% respectively being critically low. We are confident that we have built strong businesses that are sufficiently prepared to scale up as we resolve funding challenges and leverage on the opportunities, we are seeing in the infrastructure development and sustenance space that we operate in.

The Board and Management remain committed to delivering value to all stakeholders.

**By Order of the Board**  
**Virginia Ndunge**  
**Company Secretary**  
**5th September 2022**

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

	Share capital KShs '000	Share premium KShs '000	Revaluation reserves KShs '000	Translation reserve KShs '000	Fair value reserve KShs '000	Revenue reserves KShs '000	Total KShs'000	Non-controlling interest KShs '000	Total equity KShs'000
<b>2020:</b>									
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)
<b>Total comprehensive income for the year net of tax</b>	-	-	-	-	-	(1,193,347)	(1,193,347)	(422,177)	(1,615,524)
<b>Loss for the year</b>	-	-	-	-	-	(1,193,347)	(1,193,347)	(422,177)	(1,615,524)
<b>Other comprehensive income</b>									
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	(90,083)
Net change in fair value of Equity instruments at FVOCI	-	-	-	-	(82,451)	-	(82,451)	-	(82,451)
Transfer from revaluation	-	-	(98,199)	(30,167)	-	128,366	-	-	-
<b>Total other comprehensive income</b>	-	-	<b>(98,199)</b>	<b>(205,183)</b>	<b>(82,451)</b>	<b>127,604</b>	<b>(258,229)</b>	<b>84,578</b>	<b>(173,651)</b>
<b>Total comprehensive income</b>	-	-	<b>(98,199)</b>	<b>(205,183)</b>	<b>(82,451)</b>	<b>(1,065,743)</b>	<b>(1,451,576)</b>	<b>(337,599)</b>	<b>(1,789,175)</b>
<b>Transactions with owners of the Company</b>									
Transfer from Non-controlling interest (NCI )	-	-	-	633	-	(603,317)	(602,684)	570,412	(32,272)
<b>Total transactions with owners of the company</b>	-	-	-	<b>633</b>	-	<b>(603,317)</b>	<b>(602,684)</b>	<b>570,412</b>	<b>(32,272)</b>
<b>Balance at 31 December 2020</b>	<b>187,601</b>	<b>1,873,089</b>	<b>2,314,565</b>	<b>1,003,745</b>	<b>63,489</b>	<b>(15,074,580)</b>	<b>(9,632,091)</b>	<b>675,910</b>	<b>(8,956,181)</b>

### TRANSCENTURY PLC CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital KShs'000	Share premium KShs'000	Revaluation reserves KShs'000	Translation reserve KShs'000	Fair value reserve KShs'000	Revenue reserves KShs'000	Total KShs'000	Non-controlling interest KShs'000	Total equity KShs'000
<b>2019:</b>									
Balance at 1 January 2019	187,601	1,873,089	2,411,631	448,953	93,251	(8,695,074)	(3,680,549)	375,963	(3,304,586)
<b>Total comprehensive income for the year net of tax</b>	-	-	-	-	-	(3,979,470)	(3,979,470)	43,941	(3,935,529)
<b>Loss for the year</b>	-	-	-	-	-	(3,979,470)	(3,979,470)	43,941	(3,935,529)
<b>Other comprehensive income</b>									
Remeasurement of defined benefit plan	-	-	-	-	-	2,381	2,381	1,101	3,482
Deferred tax on remeasurement	-	-	-	-	-	(715)	(715)	(330)	(1,045)
Exchange differences	-	-	-	27,833	-	-	27,833	22,422	50,255
Net change in fair value of Equity instruments at FVOCI	-	-	-	-	52,689	-	52,689	-	52,689
Transfer to translation reserves*	-	-	-	732,642	-	(732,642)	-	-	-
<b>Total other comprehensive income</b>	-	-	-	<b>760,475</b>	<b>52,689</b>	<b>(730,976)</b>	<b>82,188</b>	<b>23,193</b>	<b>105,381</b>
<b>Total comprehensive income</b>	-	-	-	<b>760,475</b>	<b>52,689</b>	<b>(4,710,446)</b>	<b>(3,897,282)</b>	<b>67,134</b>	<b>(3,830,148)</b>
<b>Transactions with owners of the Company</b>									
Transfer from revaluation*	-	-	1,133	(1,133)	-	-	-	-	-
<b>Total transactions with owners of the company</b>	-	-	<b>1,133</b>	<b>(1,133)</b>	-	-	-	-	-
<b>Balance at 31 December 2019</b>	<b>187,601</b>	<b>1,873,089</b>	<b>2,412,764</b>	<b>1,208,295</b>	<b>145,940</b>	<b>(13,405,520)</b>	<b>(7,577,831)</b>	<b>443,097</b>	<b>(7,134,734)</b>

\* Relates to translation difference recognised on historical reserves for foreign denominated subsidiaries

## REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2020, 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 2020.

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 2 September 2022. That report also includes:

- A Material Uncertainty Related to Going Concern section that draws attention to Note 2(f) in the audited consolidated financial statements. Note 2(f) of the audited consolidated financial statements indicates that TransCentury Plc incurred a loss of KShs 1.62 billion during the year ended 31 December 2020, and as of that date, its current liabilities exceeded current assets by KShs 10.53 billion, and its total liabilities exceeded its total assets by KShs 8.96 billion. In addition, as at 31 December 2020, TransCentury Plc had outstanding loans of KShs 3.3 billion for which it had breached some loan covenants with the lender.

As stated in Note 2(f) of the audited consolidated financial statements, these events, or conditions, along with other matters as set forth in Note 2(f) of the audited consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on TransCentury Plc'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 Stephen Obock - Practising Certificate No. 2384.

**For and on Behalf of:**  
**KPMG Kenya**  
**Certified Public Accountants**  
**8th Floor, ABC Towers**  
**PO Box 40612 – 00100**  
**Nairobi, Kenya**  
**Date: 5th September 2022**