

Q&A

QUESTIONS (clustered into thematic areas)	ANSWERS
<b>Dividends</b>	
<p>1. How do you grant dividends?</p> <p>2. How much is the dividend payout and when will it be made?</p> <p>3. Why are members not receiving dividends?</p>	<ul style="list-style-type: none"> <li>• Business is implementing a turnaround plan and we are in the final stage which includes fundraise, this is expected to accelerate turnaround and take the business back to profitability after which we will be back to dividend pay-out.</li> </ul>
<b>Financials and Reporting Timelines</b>	
<p>4. Where can one view the latest financials?</p> <p>5. Why are there delays in the release of 2021 Financials?</p> <p>6. Provide guidance and commitment on when reporting timelines will be regulated.</p>	<ul style="list-style-type: none"> <li>• Full Year 2020 Financial and H1-2021 unaudited financial reports are posted on our website. <a href="http://www.transcentury.co.ke">www.transcentury.co.ke</a></li> <li>• While the ongoing restructuring process has significantly accelerated our turnaround, it inadvertently impacted our financial reporting timelines due to statutory and legal processes that needed to be accommodated in the audit process.</li> <li>• The delay in release of FY20 results has subsequently delayed the financial results for the year ended 31<sup>st</sup> December 2021 which will be released later than scheduled.</li> <li>• We regret this and are committed to getting back to the normal reporting schedule within the next reporting period, post fundraise.</li> </ul> <p><b>Fundraise and subsequent conclusion of business restructure will resolve cycle of delayed financials.</b></p>
<b>Future of the Business/ Performance</b>	
<p>7. As I thank you for significantly reducing losses by more than 2 billion in the year under review, 2020 tell us shareholders current business position now that economy has opened.</p> <p>8. What is the future of TransCentury in the next 2 years?</p>	<p><b><u>Business Position</u></b></p> <p>a) <b>Growing revenue</b></p> <ul style="list-style-type: none"> <li>• Revenue Grew by 27% compared to prior year boosted by Group strategy of innovation and diversification to meet market demands H1-21</li> </ul> <p>b) <b>Improved Performance</b></p> <ul style="list-style-type: none"> <li>• Group recorded a positive EBIDTA 27%</li> <li>• Improved bottom line indication turnaround strategies bearing fruit</li> <li>✓ Group trending positively towards returning to profitability</li> </ul>

<p>9. There are many risks associated with businesses like credit risk, financial risk liquidity risk etc. Looking at your risks especially currency risk and with depreciation of Kenya shilling what do you think will be the level of your exposure n do you have any hedging policy.</p> <p>10. Explain Increase of establishment and site expenses in page 117 of the annual report yet 2020 was a COVID year with minimal staff activities.</p>	<p><b>Strategy</b></p> <p>a) <b>Equity raise</b></p> <ul style="list-style-type: none"> <li>• Reduce debt <ul style="list-style-type: none"> <li>✓ Reduce interest costs</li> </ul> </li> <li>• Support working capital to grow revenue</li> </ul> <p>b) <b>Drive revenue growth</b></p> <ul style="list-style-type: none"> <li>• Innovation, Diversification</li> </ul> <p>c) <b>Continuous debt realignment</b></p> <p>d) <b>Accelerate restructure and simplify operating structure - Ongoing</b></p> <ul style="list-style-type: none"> <li>• Fundraise to support legal processes to restructure</li> <li>• Potential impact is Ksh 5b improvement in equity position <ul style="list-style-type: none"> <li>✓ Reverses historical accumulated losses</li> </ul> </li> </ul> <p><b><u>Business Risks mitigation – Currency</u></b></p> <ul style="list-style-type: none"> <li>• We have reviewed the business operating cycle and understand where forex risks exist and this aids in determining the business profit margins’ sensitivity to currency fluctuations.</li> </ul> <p><b><u>Expenses</u></b></p> <ul style="list-style-type: none"> <li>• Operating expenses reduced by over 16%</li> <li>• Establishment and site expenses related to a new project that was underway.</li> </ul>
<b>Directors and AGM</b>	
<p>11. Suitability of Director Njogu Kariithi to continue as a Board Director.</p>	<ul style="list-style-type: none"> <li>• Director Kariithi has served diligently on the Board of TC from 2017 and in the last engagement with the TC Board Chairman he has expressed willingness to continue serving on the Board.</li> </ul>
<p>12. Mode of asking questions in the AGM.</p>	<ul style="list-style-type: none"> <li>• We encouraged shareholders to ask questions through the portal and USSD to ensure that we are able to manage and answer as many questions as possible within the time allotted.</li> </ul>