

TRANSCENTURY PLC 24th ANNUAL GENERAL MEETING HELD ON 30th JUNE 2023 Q&A

Shareholder	QUESTIONS (clustered into thematic areas)	ANSWERS
Dividends		
<ul style="list-style-type: none"> • AWUOR, ODIYO ONYANGO • KIMANI ELIUD KURIA • MATWERE FLORENCE NYAMBOK • KINUTHIA, JUDY NYANJAU 	<ol style="list-style-type: none"> 1. When will we get our dividends? 2. Why are members not receiving dividends? 3. Can dividends be paid via mobile phone? 4. Why do you the company always giving very small dividends? 	<ul style="list-style-type: none"> • The Directors do not recommend the payment of a dividend for 2021. • Business is implementing a turnaround plan and is in the final stage which includes the just concluded fundraise, this is expected to accelerate turnaround and take the business back to profitability after which the business will be back to dividend pay-out. • On dividend payment via mobile - Yes, Payment can be made through mobile phone, shareholders encouraged to contact their broker for guidance. However, the Directors do not recommend the payment of a dividend for 2021.
Financials and Reporting Timelines		
<ul style="list-style-type: none"> • NYAMBANE, KEVIN BAGWASI 	<ol style="list-style-type: none"> 5. Would you kindly send me a copy of your most recent year financial statements. 	<ul style="list-style-type: none"> • Full Year 2021 audited Financial and HY-2022 unaudited financial reports are available on the company website. www.transcentury.co.ke
<ul style="list-style-type: none"> • OPATI, LENNY BRADLEY 	<ol style="list-style-type: none"> 6. Would like to inquire about financial statements and how the process is handled. 7. When will the full year 2022 audited financial statements be published, noting that they are time barred / past due the 30th of April 2023 statutory publication date? 	<ul style="list-style-type: none"> • The reports are prepared in compliance with global best practice and prudent accounting frameworks for existing and prospective investors. The report is aligned to Companies Act, 2015, Capital Markets Authority (CMA) guidelines and the Nairobi Securities Exchange (NSE). This Report is also in compliance with the International Integrated Reporting Council (IIRC) Guidelines. <p>For more detailed information, you can access our financial statements from www.transcentury.co.ke</p> <ul style="list-style-type: none"> • With the conclusion of 2021 Audited financials, the Company is now working to complete the audited financials for 2022. We regret the delay and we are committed to completing this as soon as possible and getting back to the normal reporting schedule within the next reporting period.

		<ul style="list-style-type: none"> • While the ongoing TC restructuring process has significantly accelerated the Companies turnaround, it inadvertently impacted our financial reporting timelines due to statutory and legal processes that needed to be accommodated in the audit process. • The delay in release of FY21 results has subsequently delayed the financial results for the year ended 31st December 2022 and H1-2023 which will be released later than scheduled.
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Future of the Business/ Performance

- SANG, HENRY
KIPLANGAT
- GATONGA, CHRIS
MWANGI
- MURUU, REGINA
WANGUI

8. What is the strategy the management is employing to improve the performance of the company...to turnaround the company from loss territory?
9. As a company what are you doing to encourage younger investors into your shareholding?
10. From the business perspective, we have not done well. What's the board doing to ensure an improvement in business this financial year.

Strategy

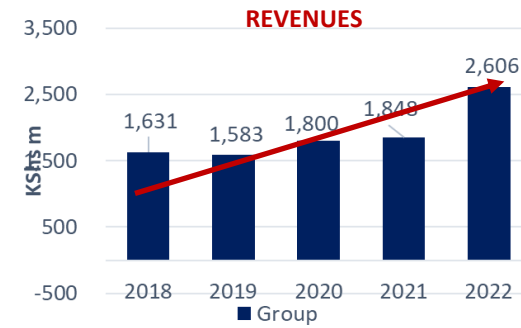
- Guided by TC AHIDI +32% strategy the Board and management are steering the company back profitability.
- Resulting in TC Group steady growth in the last 5 years.

Year	Revenue (KES BILLIONS)
2018	~4,000,000.00
2019	~5,500,000.00
2020	~5,000,000.00
2021	~5,500,000.00

Attributed to:

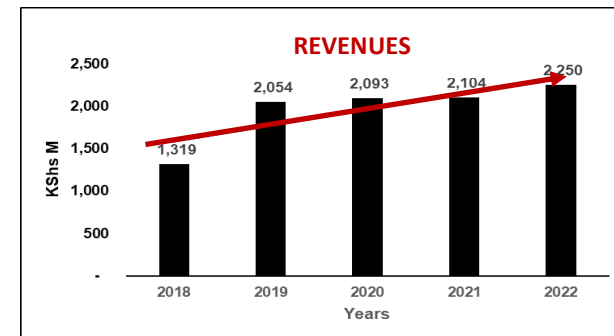
- Growth in key subsidiary businesses as demonstrated below;

a) East African Cables



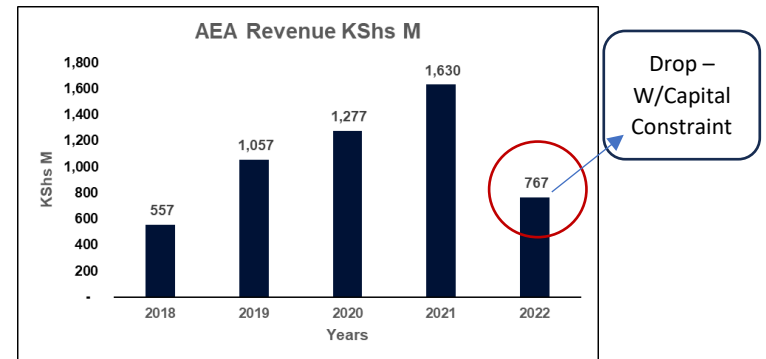
- Steady revenue growth in the last 5 years despite constrained access to working capital. Growth driven by concerted commercial efforts, product innovation i.e. submersible cables targeting the agriculture sector and diversification into new markets.
- Positive EBITDA

b) Tanelec



- Tanelec has grown 4X from 2017.
- Business is profitable and commands market share in transformer and switch gear business.

c) AEA



- Consisted Growth in revenue.
- 2022 affected by constrained access to working capital.

The growth has been driven by TC key focus areas;

1. Strengthening our systems and structures.
2. Successfully debt reprofiling to match cash flows resulting in;
 - a. Reducing commercial debt by 40% since 2019
3. Building a robust executable orderbook in our subsidiary businesses with results demonstrated above by the steady growth in revenue.
4. Innovative fundraising for execution of orderbook

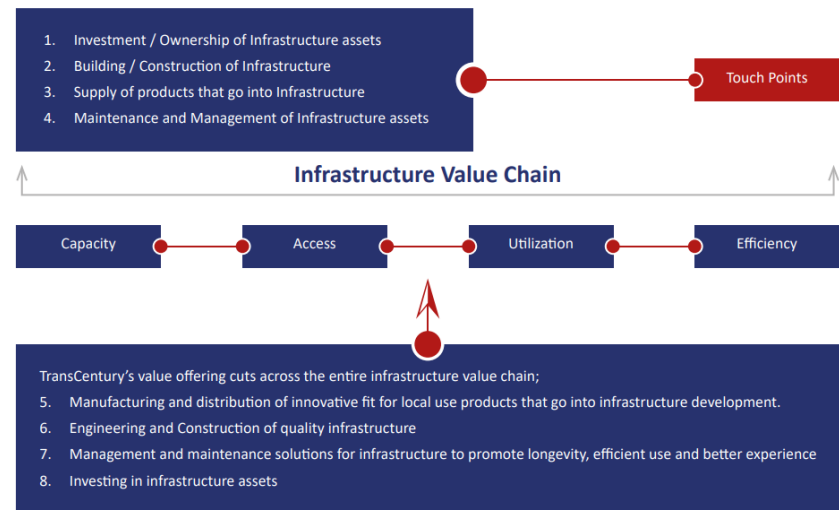
Strategic Focus

- TC strategy guides the company to have sharpened focus – **solving infrastructure deficit In Africa.**

TC Focus – Infrastructure

- TransCentury PLC focus in infrastructure is specifically in **Energy, Transport, Water, Industrial, and Agriculture sectors.**

TC View on Infrastructure



TC investments play a key role in addressing Infrastructure under penetration and inefficiencies that still exist in Africa across the entire infrastructure value chain outlined above.

		<p>Our focus on the younger investor;</p> <ul style="list-style-type: none">• Our business addresses key issues affecting society at large as articulated in TC mission statement: <i>"Improving lives in Africa through investment in Infrastructure products, projects, and services"</i>.• In addition, we actively engage the younger investor in collaboration with local universities where key members of the company make presentations to the students.• Our subsidiaries have strategic partnerships with artisans, technicians etc who form an integral role in the business value chain. A majority of them are in the youth bracket.
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- GATHITU, FRANCIS CHEGE

11. TC Shareholding structure in 2021?

12. What is Kuramo's current % shareholding after conclusion of the rights issue?

- Page 76 of the 2021 Integrated Report outlines the top 10 shareholders of the company. Table Below

Top Ten Shareholders

Name of Shareholder	Shareholder Position	No of Shares Held	% Shareholding
Kuramo Africa Opportunity Kenyan Vehicle Ltd	1	93,776,173	24.99%
Standard Chartered Nominees Ac Ke15615	2	31,065,194	8.28%
Waweru, Michael Gitau Waweru	3	21,216,380	5.65%
Anne Pearl Karimi Gachui	4	21,140,990	5.63%
Standard Chartered Nom A/C Ke 11993	5	17,353,617	4.63%
Kanyago, Peter Tiras Kanyago	6	15,641,387	4.17%
Njogu, Ephraim Kariithi Njogu	7	12,520,370	3.34%
Mbugua, Gitau Zephaniah Mbugua	8	11,984,752	3.19%
Gath Properties Limited	9	10,933,000	2.91%
Kimotho, Robin Munyua Kimotho	10	10,851,510	2.89%
SUB - TOTAL	10	246,483,373	65.69%
OTHERS	2,047	128,719,393	34.31%
TOTAL ISSUED SHARES	2,057	375,202,766	100%

- Post the Rights Issue Kuramo Capital shareholding has moved to 74.5%

Receivership		
<ul style="list-style-type: none"> • MBUGUA, GITAU ZEPHANIAH 	<p>13. Will the Chairman explain the real situation of TC in relation to the receivership? And please be honest. Going to court is just a temporary reprieve. What are shareholders to expect?</p>	<ul style="list-style-type: none"> • Going to court offers the business reprieve and an opportunity to explore avenues to reach a lasting and amicable solution with the bank. Further it preserves value for the shareholder and for the bank. • The business has since made significant progress to service these loans while maintaining a cashflow balance to ensure that the businesses are on an upward trajectory. • We believe in the plan we have developed to grow the business and service the debt sustainably, therefore we are committed to finding an amicable solution. • The debt the business is grappling with is legacy debt, a problem that goes back all the way to 2011. <ul style="list-style-type: none"> ○ The business had accumulated substantial debt including a bond that was floated in 2011 and fell due in 2016. ○ Due to heightened negative information in the market the business lost critical credit lines which impacted the business to the extent of halving the business revenues and constrained the business capacity to meet its obligations. ○ Kuramo Capital came in to support the business in reducing debt and trigger turnaround.
<ul style="list-style-type: none"> • KIMANI, SAMUEL MWANGI 	<p>14. I came to realize for more than Ten years you have a debt of EQUITY BANK of 5billions, why didn't you pay the bank if you didn't want the company to be put under receivership managers.</p>	<ul style="list-style-type: none"> • Brief background Equity Debt. <ul style="list-style-type: none"> ○ In 2019, Equity Bank Kenya took over East African Cables debt and offered to restructure the debt under good terms. ○ Takeover of the loan included a commitment to fund the company's working capital to be able to rump up production and accelerate loan repayments.

		<ul style="list-style-type: none"> ▪ Unfortunately, the commitment was never honored by the Bank, severely affecting the business performance. ○ We have prioritized debt reduction across the Group while at the same time re-investing in working capital to grow revenues to enhance capacity to meet its obligation. To date, despite constraints in accessing working capital, over KES 600 million has been paid and payments continue to be made. ○ Loan continues to be actively serviced. <p><u>TC and its subsidiaries are committed to meet all obligations.</u></p>
<ul style="list-style-type: none"> • MUCHIRI, DANIEL KIMOTHO 	<p>15. We as shareholders gave you 800m in rights issue why didn't you pay at least 5 m as start up so that they can see you are good in payment of your obligations.</p>	<ul style="list-style-type: none"> • Despite the prevailing economic challenges post the COVID-19 pandemic, the cash call closed in April 2023 with a 40% subscription. • The Rights Issue attracted Ksh 528m in cash and Ksh 300m as conversion of shareholder loans. • TC Rights Issue was aimed at recapitalizing the business to reduce debt, settle statutory obligations and other creditors and unlock working capital as outlined in the information Memorandum that was provided to the shareholders. • Throughout the cash call period and conclusion TC Board and Management continuously engaged the Bank on plans to partially settle and restructure the debt to achieve a sustainable settlement plan. • A detailed payment plan was provided to the Bank and discussions on this plan were ongoing up until a day before the notice was published in the local dailies. • These engagements are testament to the Company's continued commitment to meet its obligation.

<ul style="list-style-type: none"> • NAIROBI NOMINEES LTD. A/C J.S. DONOVAN 	<p>16. Can you tell us after depositing the money at coop bank, how are you using our rights issue money.</p>	<ul style="list-style-type: none"> • As outlined in page 20 of the Information Memorandum for TC Rights Issue, the funds raised were to be utilized for, statutory obligations, creditors and partial repayment of TC holding company loan.
<ul style="list-style-type: none"> • GATHITU, FRANCIS CHEGE 	<p>17. In light of the unfortunate turn of events that threatens to destroy value while at the last milestone of order book execution under Ahidi +32% 2022 - 2025 strategic plan, is the board exploring obtaining patient long term funding via Kuramo shareholder loan or from International financial institutions e.g. IFC/DEG/Proparco e.t.c to pay off the borrowing from Equity which will avert disruption from the receivership action by Equity bank?</p>	<ul style="list-style-type: none"> • Yes, we have been in discussion with various financiers including the bank to find a lasting solution. • TC Board and Management is committed to safeguarding shareholder value.
<ul style="list-style-type: none"> • GATHITU, FRANCIS CHEGE 	<p>18. The bank is owing you and sister company almost 7 billion ,5 B plus CABLES 1.7 B what steps have you put to clear the debt.</p>	<ul style="list-style-type: none"> • The Company remains committed to settling all obligations. • The company has a sustainable settlement plan which had been shared with the bank and remains committed to improving it to reestablish partnership with the Bank that we've had over the years.

<ul style="list-style-type: none"> • NAIROBI NOMINEES LTD. A/C J.S. DONOVAN 	<p>19. Was TCL caught unawares by the actions the bank took?</p>	<ul style="list-style-type: none"> • The Company was in active engagement with the Bank as recently as a day before the notice was published in the local dailies. <ul style="list-style-type: none"> ○ Discussions included a detailed payment plan provided to the bank. ○ The company placed reliance on the progress made in the talks and was confident an amicable agreement was imminent. • Appointment of a receiver and administrator for TC and EAC respectively was contrary to the spirit of the discussions and the long-standing relationship the Company has had with the bank
<ul style="list-style-type: none"> • NAIROBI NOMINEES LTD. A/C J.S. DONOVAN 	<p>20. Given that the debt had been there for some years, what prompted the bank to take this action now?</p>	<ul style="list-style-type: none"> • What prompted the Bank to take the action is not clear to the Company.

<ul style="list-style-type: none"> • NAIROBI NOMINEES LTD. A/C J.S. DONOVAN 	<p>21. In the end, all problems are resolved through discussions. What plans does TCL have to engage Equity bank in discussions that will lead to an amicable resolution of the challenges all corporates are facing currently? The court process can be costly and time consuming.</p>	<ul style="list-style-type: none"> • Indeed, through constructive discussions, we can find a solution to the present situation and it's an avenue we are committed to pursuing. TC intends to fulfill its commitments, and we anticipate reaching a mutually agreeable resolution. • Extensive efforts have been made to transform the business, as reflected in its performance over the past few years (as demonstrated in the earlier questions under the business strategy section). This progress is enhancing the company's capacity to meet its debt obligations.
<ul style="list-style-type: none"> • KINYUA, EDWIN MURAGE 	<p>22. What is management's strategy to avoid receivership/winding up?</p>	<ul style="list-style-type: none"> • The Businesses are on a positive trajectory and geared toward sustainable profitability. Shareholders should therefore feel confident in the business they have invested in. • We remain committed to working with the bank on a sustainable payment plan that benefits both parties and re-establishes the partnership that we have had all along.

<ul style="list-style-type: none"> • GATHITU, FRANCIS CHEGE 	<p>23. Please spare no effort or resources in thwarting any attempts aimed at placing the company, including iconic EA cables under receivership. It is very worrying that at the tail end of turning around the company through enormous hard work & effort, all this can go to waste and the team of management, directors & shareholders behind all this good work so far rendered powerless or onlookers as receivership managers take over.</p>	<ul style="list-style-type: none"> • Reiterating statement by TC Group Chairman during the 24th AGM, The Board and Management of both TransCentury and East African Cables will safeguard the business and the thousand of jobs and lives of all stakeholders. • Shareholders are assured the Company is pursuing all avenues to reach an amicable resolution of this matter including going back to the negotiation table with the bank. • Significant progress has been made in TC turnaround journey and Company is committed not to allow any action that would jeopardize this progress and the growth ahead
<ul style="list-style-type: none"> • MASABA, EMMANUEL FENSWA 	<p>24. After rights issue how safe is the money you collected. Equity Bank needs its money.</p>	<ul style="list-style-type: none"> • As outlined in page 20 of the Information Memorandum for TC Rights Issue, the funds raised were to be utilized for, statutory obligations, creditors and partial repayment of TC holding company loan.

<ul style="list-style-type: none"> • GATHINJI NDUNGU 	<p>25. Our understanding as shareholders has been that you've been in discussion with the bank and given the potential of this Company, have you started discussing a plan with the bank to resolve the issue</p>	<ul style="list-style-type: none"> • The injunction provides us an avenue to return to the negotiation table which is an avenue we are pursuing.
<ul style="list-style-type: none"> • MBUGUA PETER 	<p>26. Chairman, you've mentioned in your statement that the company was caught unaware by the bank's action. Did the bank reach out to you with a proposal.</p>	<ul style="list-style-type: none"> • We were in discussion with the bank up to a day before the notice and in our view were progressing well.
Corporate Governance		
<ul style="list-style-type: none"> • IRUNGU KIMANI 	<p>27. As I look why don't you change directors.</p>	<ul style="list-style-type: none"> • The Directors are elected by shareholders at the Annual General Meeting and they come up for rotation every three years as per the Capital Market Authority (CMA) Code of Corporate Governance Practices of Issuers of Securities to the Public, 2015.
<ul style="list-style-type: none"> • MWANJE, ISHMAEL MURIHE 	<p>28. Which criteria is being used to appoint the members of board?</p>	<ul style="list-style-type: none"> • The Directors are elected by shareholders at the Annual General Meeting and they come up for rotation every three years as per the Capital Market Authority (CMA) Code of Corporate Governance Practices of Issuers of Securities to the Public, 2015.
AGM Modalities		
<ul style="list-style-type: none"> • WANYOIKE, DAVID KARUOYA 	<p>29. Where is the AGM</p>	<ul style="list-style-type: none"> • The AGM to be held via electronic communication on Friday 30th June 2023 at 11AM.
<ul style="list-style-type: none"> • KIMANI, ELIUD KURIA 	<p>30. Gifts to compliment nil dividend.</p>	<ul style="list-style-type: none"> • This year the Company will not be having gifts.

		<ul style="list-style-type: none"> • Company working on ways of interacting with shareholders like having hybrid AGM's that allow the interaction. <ul style="list-style-type: none"> ○ This will allow for an opportunity to share gifts.
<ul style="list-style-type: none"> • MUCHIRI, DANIEL KIMOTHO 	<p>31. We want during AGM to ask questions live call, why are you worried about this despite the other companies doing so.</p>	<ul style="list-style-type: none"> • We appreciate your feedback; we endeavour to answer all questions comprehensively including the questions that come during the AGM. Thereafter all questions and answers are uploaded on the Company's website.